The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

September 10, 1938

Clean-up 'Blood Alley!'

AN EDITORIAL

★

Japan's Economic Crisis

BY JOHN HARDING

★

Pssst! Mr. Moto!

BY PETER SOUTH

★

China's Fight on Opium

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Helping China's Disabled

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What People Are Saying

Comments from Readers on Current Topics are cordially invited; their opinions, however, do not necessarily represent the views of the *China Weekly Review*.

"Vox Pop" Explains

The Editor, *China Weekly Review*:

The outline of "Peace Terms for China and Japan," which was propounded by the writer recently, has aroused various reactions in the breasts of friendly commentators. One view was that nothing should have been said in that connection that could by any possibility have been construed as adverse to the interests of Powers friendly to China. The justice of the claims made was not challenged but they were deemed impolitic. On that point the writer differs. Indeed, more might well be said now and less later, on Moderation in the hour of victory should be the motto of a victorious China, a concept completely in line with the Chinese idea of practicing the Golden Mean. Moreover, not many foreigners, except Italians, will have too much fault to find with the strictures made in the proposed "peace terms." It is the additional claims that they fear may be made later, which give rise to apprehensions.

As for such matters as the future of extraterritoraility and of foreign concessions held by Western nations in China, the Chinese can well afford to take their time when they have won their victory over Japan. The point must not be lost sight of that a satisfactory administration of justice in Chinese Courts is the proper place for the Chinese to place their emphasis. If this is done, the other things desired by Chinese patriots will follow in due course of time without anyone needing to get excited about it. It is useless for Chinese to deny that the administration of justice has not always been satisfactory in the past. We are on safer ground when we point to the great progress that has been made in recent years and, if we follow this up with insistence that a further improvement must and will be made, we shall be on the right path.

It is well also for Chinese to keep in mind that the abolition of extraterritoriality in Japan has somewhat prejudiced a similar step in China. Their experience in Japan as a result of giving up their previous rights has not been a happy one. It is well known to all old residents of Japan that when a foreigner has a case in a Japanese court against a Japanese subject, the latter almost invariably get the best of it regardless of how good a case the foreigner may have. The Japanese do not practice an even-handed justice among themselves, so perhaps this condition is not to be marvelled at. But the point is that the delinquencies of the Japanese in their administration of justice make it harder for the Chinese to obtain a fair consideration of their just claims for Westerners in their mental processes are apt to label both nations as "Oriental" and let it go at that.

Another comment made on the proposed "peace terms" is that they are humorous. If they are, it is rather serious humor. The writer is, however, somewhat suspicious of what he himself writes for now and then he catches himself smiling as he jots down something, especially so when that something concerns the Japanese. He does not seem to be able to take himself and others as seriously as the Japanese, for instance, do themselves. They are forever boasting of their divine descent, their divine mission, their fighting prowess—one Japanese soldier used to be equal to a regiment of Chinese as a fighter, so they said, but now one of them is equal to only a battalion, or is it a company, of Chinese soldiers. Ha! Ha! Maybe they are getting tired. By and by one of their *heitai* will be equal to only a platoon or even to only a squad of Chinese soldiers, as they grow more and more tired. Worn out by victory, the Japanese will finally lay down their arms and then the "proposed" Peace Terms for China and Japan" will come into effect. Ha! Ha! Ha!—But the writer's proposed "peace terms" are not to be regarded as any more than incidentally humorous, if they are that.

Another criticism of the "peace terms" by a Westerner is that they do not sufficiently save Japan's face. The writer can think of a lot of ways to save Japan's face but he hesitates to mention them for they all seem to be at the expense of China's good friends such as France, Great Britain, Soviet Russia and the United States of America and none of them at the expense of China. If Japan loses the war to the extent envisaged by the writer, it will be impossible to save her face and that being the case it is proposed to make it as difficult as possible for Japan to stage a repeat performance of her aggressions on the Asiatic mainland. As for enslaving the Japanese people through huge indemnities impossible of payment, that is not contemplated although the principle of Japanese indemnities to the extent of their ability to pay for the horrible outrages inflicted upon the Chinese should be upheld. The Japanese people have permitted their militarists to lead them around by their noses and sooner or later they must pay for their folly. Perchance, the rage of a defeated Japan, however, will be directed not so much at China as at their own militarists. But after all there are more important things in this world than "face," for instance, a peace based upon Justice.

Vox Pop.

Shanghai, Sept. 5, 1938.

Boycott Sentiment Growing

The Editor, *China Weekly Review*:

The type of material *The Review* is publishing is doing considerable to help the American people to understand the Far Eastern situation. More power to you.

It might prove interesting to tell you that the popularity of President Roosevelt does not wane, and he is the best friend China has in the world. I believe that he is doing everything he can to help, and I believe that sentiment will get so strong among the

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Contents

Editorial Paragraphs

"Blood-Alley" Should Be Made Into Retail District 39
The American Program in China and the Next Step..... 39
Japanese Girl Pushes Anti-Nippon Boycott in U. S. A. 40
Edwin Haward's Articles on Shanghai Conditions 41
Reported move Against Japan's Censorship of Mail 41
Japan's Economic Crisis.....By John Harding 42
Complications of the American Hospital at Wuhu 46
Japan Seen in Deliberate Attempts to Smash American Interests in China 47

Special Articles

Hankow Ready As Japanese Troops Draw Nearer 49
Pssst! Mr. Moto! .....By Peter South 50
China's Fight On Opium.....By C. Y.. W. Meng 52
A Chinese Red Explains Communism 54
Vocational Rehabilitation for the Disabled..... .....By W. K. Loo 58

Departments

What People Are Saying..... 37
Outstanding Events in the Sino-Japanese War..... 60
Who's Who in China 63
Men and Events 64
New Books of Interest in the Far East 66

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS," COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

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people that Big Business will be unable to stop a real embargo on Japan.

F. J. W.

Upland, Calif., July 18, 1938.

Bushidoism Must Go

The Editor, *China Weekly Review:*

Referring to your article entitled "Peace Terms for China and Japan," you have omitted mention of one of the most important terms, which is as follows:

For the interest of world peace and order, the present Japanese aggressive attitude toward other nations and their barbaric war-like spirits are to be definitely eradicated. In order to accomplish our aims, the Japanese army, navy and air forces will have to be abolished and all servicemen disbanded. They are, however, to be allowed to have a sufficient amount of police force in their country so that peace and order may be kept.

Any kind of munitions, with exception of certain kinds for police purposes, are to be destroyed and under no circumstances shall they be allowed to manufacture any kind of arms of any description for a period of not less than 25 years.

A Peace-Lover.

Shanghai, Sept. 5, 1938.

Chang Chun Heads Planners

The Editor, *China Weekly Review:*

Word reaching here from Chengtu, Szechuen's capital, has it that in order to meet the needs during war time, the Central government had previously planned to develop the provinces of Szechuen and Sikong. The Szechuen-Sikong Economic Reconstruction Committee was formed to plan for the economic development of these two provinces. But now it is decided to enlarge this committee to form the Szechuen-Sikong-Kweichow-Yunnan Economic Reconstruction Committee to map the development of the entire southwest.

This committee is under the jurisdiction of the headquarters of the generalissimo of the National forces in Szechuen, to which General Chang Chun, former mayor of Greater Shanghai, and once minister of Foreign Affairs, is now the director.

C. Y. W. M.

Chungking, Aug. 25, 1938.

We Might Ask Roosevelt, Too

The Editor, *China Weekly Review:*

Thought you might be interested in an editorial comment appearing in the *Peking Chronicle* of July 17, 1938—a Japanese-owned daily edited by a wild Irishman named Gorman.

It has been my understanding that the main and oft-heralded reason for the Japanese invasion of China was "Anti-Comintern," together with their pals—Hitler and Mussolini. Now this Japanese-owned propaganda sheet says the Shansi Reds are no more Red than President Roosevelt. You might ask the Japanese officials in Shanghai through *The Review* to make up their minds, if any. Question: "Are they, or are they not?"

Anyway, the *Peking Chronicle* had this to say: ". . . at the same time the capture of Sianfu would weaken the position of the so-called Reds in Shansi who, in our honest opinion, are no more red than President Roosevelt, but who have adopted the name for political reasons."

An Innocent Abroad.

Tientsin, August 20.

You Tell Us

The Commentator, *China Weekly Review:*

Orchids to you for the best broadcast in the Far East. Your last week's summary of the European situation, and the series of disasters met by Japan topped everything. However, you might have included her war in China as one of those disasters.

Several Nazis in this city tell me they question your source of information on the atrocity which you alleged was perpetrated against the wife of a Chinese consular official in Vienna. My reply was that such an act was not surprising since far worse things than that have been done in the name of Hitler.

I did gather from several of your remarks that you are not overly confident about Shanghai's future. How about it?

Ray D. O'Fan.

Shanghai, Sept. 6, 1938.

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密勒氏評論報

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"BLOOD-ALLEY" SHOULD BE MADE INTO RETAIL DISTRICT

THE world's "wettest" and most lawless block is probably located in the down-town section of the French Concession. It fronts on Avenue Edward VII and is bounded by Rue Chu Pao-san, Rue du Consulate and Rue Petit.

By actual count there are 17 low-class bars and cabarets in this district, all of them catering to the sailor trade. Many an American sailor lad who signed up with the object of "seeing the world" in accordance with the Navy recruiting posters, has found the world he expected to see occupied by the bars and dives of "Blood-Alley," the expressive name applied to the district which is known up and down the Asiatic Coast.

Recently a young American sailor was beaten and robbed in this district and an American civilian who went to his rescue suffered a similar fate. A few days later a fight between British and Italian soldiers in one of the resorts caused the entire area to be placed "out of bounds" for service men. The American naval and marine authorities took similar action, following the attack on the sailor and civilian. Three or four years ago several foreigners were arrested in Dairen and ultimately found guilty and executed on a charge of piracy. They had gone aboard a cargo ship at Tientsin, murdered the officers, locked the crew in the hold and tried to sell the ship. Instead they ran it on the beach at Dairen and were caught. In the ensuing trial the men confessed they had framed the piracy in one of the bars and cabarets in "Blood-Alley."

Although the facts about the ownership of the bars, resorts and narcotic-joints in this district are not known, it has been alleged that the real owners of most of the real estate and buildings are some of the French Catholic orders. It is claimed that the directors of these institutions are not aware of the manner in which their property is being used, as it has been sub-let. It is a fact that few Frenchmen are connected with the operation of the resorts, most of them being operated by Chinese, Russians, Germans and a few Americans.

The close link-up between the vice and criminality of this area and the political controllers of the French Concession is apparently not greatly different from the connection between crime and politics in many American cities. One element here is worse—the dope element—as opium, morphine and heroin are said to be dispensed quite openly in the district.

The French authorities ought to close up the entire district and convert it into an area for modern retail shops. It seems strange that the owners of the real estate have not thought about it before—particularly since the Japanese seizure and control of the once-prosperous Hongkew and Yangtszepoo districts. Thousands of flourishing retail establishments previously located on North Szechuen, Seward, Yangtszepoo and other streets of Hongkew have had to move into the section of the International Settlement "south of the creek." Hundreds of other shop-keepers probably have been unable to find new locations. If "Blood-Alley" could be cleansed of its dives and bars, thoroughly disinfected and aired, it could be converted into one of the most attractive retail areas in the city. It seems strange that real estate promoters have not thought of this before!

If it is true that the real estate is owned by the Catholic societies, then they should take the first steps to effect a house-cleaning!

THE AMERICAN PROGRAM IN CHINA AND THE NEXT STEP

AMERICAN organizations in Shanghai, last week, dispatched a strong telegram to the Department of State at Washington and also to the Chamber of Commerce of the United States and the National Foreign Trade Council, urging that immediate action be taken to safeguard American interests in China against the efforts of the Japanese Army to oust American and other trade from the country.

The telegram actually constituted an American program for the home Government to follow in the present emergency. It cited the "steady progress toward realization" of Japanese plans to oust American and other trade from this country by means of monopolies, trade and travel restrictions, control of commodities, exchange control and currency manipulation, as already in effect in North China which is crippling the most important lines of American business. Specifically the Americans declared it was time for the American nation to take a firm stand on the restoration of the Shanghai Municipal Council to full authority and control of the International Settlement, including the Hongkew and Yangtszepoo districts.

The recommendations also embraced restoration of American properties and goods to their rightful owners with full and free access to and use of same, with prompt indemnification for losses suffered by American citizens.

A prompt discontinuance of Japanese censorship and interference with mails, telegrams, cables and other means of communications, including importation of radio equipment now restricted by the Japanese in North China.

In further reference to the situation at Shanghai, the Japanese were requested to return the dredging

equipment belonging to the Whangpoo Conservancy Board in order that dredging operations necessary to the preservation of the harbor may be resumed. The Japanese naval authorities seized the dredging equipment a year ago and have held it dispite protests.

Due respect for and observance of treaties (Nine Power Treaty) guaranteeing American rights in China was demanded, including the restoration of rights and privileges of trade, travel and residence in the Yangtsze Valley, North China and elsewhere, including the use of railways, shipping, commercial airways and motor highways with access to markets and centers of missionary activity, on a basis of equal opportunity.

Finally, it was urged that the U. S. Government support all practical measures designed to limit the scope of hostilities in their disastrous effects on civilian communities and prevent spread of the conflagration to other parts of the world.

The significance of the recommendations for action on the part of the American Government—probably the most important pronouncement of any American group in China in many years—was immediately recognized. Its reception in Washington was generally favorable, although the suggestion was made that the recommendation for limiting the scope of the war, "was not possible of immediate realization."

The Ministry of Foreign Affairs of the Chinese Government at Chungking, without reference to the American telegram, pointed out that Japanese activities were purposely endangering American lives and property, while the creation of business monopolies constituted an effort to drive American business out of the country. After referring to the recent incidents, destruction of the C. N. A. C. plane and murder of the passengers and the alleged explosion of mines in the vicinity of the U. S. S. Monocacy while anchored at Kiukiang, the *United Press* dispatch stated that since the bombing and sinking of the U. S. S. Panay, numerous American properties including churches, schools, hospitals had been bombed while other properties which had been seized, were still occupied by the Japanese Army despite the fact the scene of hostilities had shifted hundreds of miles away. In conclusion the Foreign Minister, Dr. Wang Chung-hui, declared:

> "For a democratic Power having large interests and treaty rights in the Orient like the United States, the choice lies between a firm determination to defend them or the acceptance of Japan's supremacy in the Far East. There is scarcely a middle course. The conflict in policies and interests between Japan and the United States are too fundamental to permit of compromise . . . . Japan cannot be expected to observe the Open Door Policy in China, for it is precisely the object of her present invasion to establish undisputed political and economic control over China. Nor is Japan likely to discontinue attacks on American power and influence in world affairs, for the influence of the United States as a champion of peace and democracy cannot be reconciled with the inordinate ambitions of Japan's military rulers . . . . The least the United States can do is cease supplying Japan with the essential war materials and withdraw further financial support for her aggressive war by ceasing to give credits and to purchase her products."

* * *

What futher steps the American organizations here will take have not been stated, but the seriousness of the crisis probably has convinced the representatives of American commercial and other interests of the necessity of continuing their efforts to keep the people at home informed of developments here. This is highly necessary in view of the flood of propaganda which the Japanese are circulating in the United States with the object of misleading the people as to the real situation.

Although the Americans are overwhelmingly sympatetic toward China, they have not been able to take effective action in support of China due to the fear—cultivated by the isolationists—that such action might lead to war. Another element opposed to placing restrictions on Japan is the small but powerful group of industrialists and others who make big profits by selling war supplies and other materials to the Japanese.

An intelligently directed campaign by American in the field, who are familiar with the actual situation, should be able to help materially in educating the home people and assisting the Government in the formulation of intelligent policies. No intelligent American here wants war—but there probably will be general agreement with Wm. C. Bullitt, Ambassador to France, who declared in the course of a recent address that, "No human being could undertake to state or prophesy whether or not the United States would become involved in a war if it should break out in Europe." Mr. Bullitt's address was delivered on the occasion of the dedication of a monument erected at the mouth of the River La Gironde where the American Expeditionary Force landed in 1917. It also was the spot where Gen. Lafayette and his companions set sail from France on March 28, 1777 to join the American armies fighting for their independence. Mr. Bullitt's address was followed by a talk by the French Foreign Minister Georges Bonnet, whose remarks may yet prove prophetic. He said, "When France was weary as a result of her efforts around Verdun, when submarine warfare increasingly threatened the communication lines indispensable to the Allies, and when a third of French soil was in the enemy's hands, the United States came in . . . It is rare that in world history purely moral principles should shape the basic policy of countries. However, it was the second time, that these principles brought France and the United States together in the brotherhood of arms."

JAPANESE GIRL PUSHES ANTI-NIPPON BOYCOTT IN U. S. A.

MISS Haru Matsui, said to be a distant relative of Gen. Iwane Matsui, formerly commander of Japanese troops on the Shanghai-Nanking front, is opposed to Japanese aggression in China and has been taking active steps to prevent the Japanese Army from accomplishing its ambitious program. She has been speaking with great effect in support of a boycott of Japanese goods in the United States. According to the *China Aid Information Bulletin* (N. Y.) for August 4, Miss Matsui is now speaking in New England. She delivered addresses before four church audiences, labor, women's and peace groups in Massachusetts in which she urged a boycott of Japanese goods. Her address before the Massachusetts Federation of Women's Clubs at Swampscott, was attended by 300 women. In Maine she addressed the 49th annual conference of the Hancock County Unitarian Church at the town of Elsworth, where her appeal for a boycott of Japanese goods and embargo on shipments of war materials to Japan found a ready response. At Bangor City, Maine she spoke over the radio station WLDZ to American housewives generally in which she urged housewives and mothers to boycott Japanese goods as the quickest way of bringing Japan to reason.

EDWIN HAWARD'S ARTICLES ON SHANGHAI CONDITIONS

EDWIN Haward, for the past decade editor of *The North-China Daily News*, who retired recently because of poor health, recently contributed a series of articles dealing with China subjects to *Great Britain and the East*, a fortnightly publication in London. The following are extracts from some of the more recent articles :—

"Sir Frederick Maze, Belfast Irishman, is endowed with acute political sense . . . He is unswervingly true to the traditions of his great kinsman and predecessor, Sir Robert Hart, father of the Chinese Customs . . . . Well has he upheld British prestige by his long service in China . . . . Perhaps he is inspired by his knowledge of the qualities of the Chinese junk, the study of which is his favorite hobby . . . . The South Kensington Museum has a collection of model junks presented by him . . . He can tell how scientifically were their originals designed long before the shipbuilders of the West had mastered the elements of that craft.

♣

"Japanese occupation of the part of the International Settlement (Hongkew and Yangtszepoo) and of the surrounding Chinese municipal areas, might lead to an attempt at increasing Japanese representation on the Council. A contested election in such circumstances could hardly have been avoided, and the result might have been to aggravate tension. The saving grace of Shanghai is its imperturable spirit in adversity. In a real sense the trouper's motto is nailed to the mast on the banks of the Whangpoo. 'The show must go on,' That principle has governed the outlook of the Shanghailanders—foreigner and Chinese alike—ever since the great city was faced by the latest and perhaps the most serious crisis in its history."

♣

"The representatives of British commerce in the Far East were assembled (in London) to hear from A. W. Burkill . . . the latest informed judgment on the biggest crisis in Far Eastern Affairs in modern times. The impression was one of quiet strength . . . . . A ripple stirred the grey-headed placidity in front of him when Mr. Burkill—not so very long ago a pillar of the Bund—declared that the British had done the most of all non-Chinese residents to build up modern Shanghai. So, paying 38 78 percent of the land-tax and 14 78 percent of the municipal and special rates of the International Settlement as against 7.19 percent and 7.14 percent, respectively, paid by the Japanese, the British had the right to insist that their achievements should be applied to the test of Japanese proposals for the administration of the Settlement, especially as Anthony Eden and Lord Cranborne in the House of Commons had affirmed the authority of the Municipal Administration under the Land Regulations by the Powers for the peace, good order and government of the Settlement had been delegated by the Chinese Government without whom the regulations could not change . . . . Prepared though they were to give due weight to the numerical excess of Japanese over British residents, the members of the Association, speaking for their community in China, were justified, in the light of facts and figures cited, in resisting "any Japanese attempt to introduce a preponderantly Japanese say in the affairs of the Settlement."

♣

"Shanghai is not China . . . . China as seen from Shanghai is often distorted; the perspective is awry. Yet Shanghai accounts for half the overseas trade of the whole of China. Its population is over 3½ millions. It is incomparably the largest port in the Far East—the sixth in the world. Proximity to Nanking has given Shanghai the most intimate relations with the Chinese Government. From its telegraph offices the newspapers of the world have consistently received the bulk of their information regarding the course of events in China. Cut off from the hinterland of China, on which it depends for its trade, Shanghai is today in an unenviable position. It is living on its own fat, which is shrinking in texture and substance . . . . Shanghai will recover . . . That does not justify neglect of any measures which can be taken to support the magnificent tenacity of its citizens in dire extremity . . . . The French Concession and the Settlement are fundamentally Chinese soil, under Chinese sovereignty. Last August when the Settlement was suddenly exposed to the ordeal of fierce fighting on and over its doorsten, it was proposed that both Chinese and Japanese troops should withdraw a certain distance and that non-Japanese foreign forces should take responsibility for the safety of Japanese residents by holding a demilitarized zone; the Japanese refused to agree. On its side the Chinese Government declared its readiness to cooperate in that scheme, but on the Settlement status it was emphatic . . . . Although she has, by treaty bestowed upon the Shanghai Municipal Council certain defined administrative privileges in the area, China retains her territorial sovereignty. Therefore the garrisoning of hostile troops in the district is not only unauthorized by treaty but also unauthorized by international law . . . . . "

♣

In a further article in July *Asia* (N.Y.) Mr. Haward wrote under the title, "Britain's Good-by to China," that he thought eight years ago there was far more likelihood of India's going outside the British Empire than of Shanghai's ceasing to give opportunity for British energy. But in the light of recent developments, Mr. Haward regarded his views of eight years ago as a "little unreal today." Continuing, he said that he attempted even four years ago to point out to local British merchants the significance of Japan's annexation of Manchuria, but, "My warning was dismissed with the comforting suggestion that Japan was the stabilizing power in the Far East. Even the attack on Shanghai in 1932 was treated as a useful check to Chinese encroachment. It would enable the British merchant to operate under less uncertain conditions than heretofore. Self-deception has been busiest at work at Shanghai itself. Convinced that Japan is winning hands down in the military operations now destroying China's hopes of economic reconstruction, some British Shanghailanders imagine that, if they can only tide over the present difficult ordeal, they can eat their cake and have it. Under cover of a Japanese victory they expect to regain their normal trading morale and, if anything, profit from the greater opportunities of an ordered regime free from the imperfections of a purely Chinese administration as it impinges on the development of Shanghai. . . . . But British interests suffered sorely in the catastrophies which followed the fighting in the vicinity of Shanghai and the ultimate occupation of the surrounding territory by the Japanese. . . . It was not perceived that the rigor of the campaign would result in cutting Shanghai off from the hinterland, that the Japanese military authorities would use their occupation of the surrounding territory to put a stranglehold on the life of the foreign areas—the French Concession and the International Settlement—to say nothing of their military occupation of the northern and eastern districts of the Settlement in Yangtszepoo and Hongkew, where important British and American properties—storehouses, waterworks, power station, wharves and the like—were located. . . . The menace is real. By a stroke unparalled in modern history Japan made a frontal attack on Chinese sovereignty when she allowed the East Hopei autonomous regime to start on its career of unshamed smuggling. That process is being extended to the support of Japanese trade in all areas under present Japanese occupation. . . . Until May customs duties were not paid in Shanghai by other than non-Japanese imports. . . . If Britain is preparing her good-by to China, she cannot do it more effectively than by pandering to the spacious opportunism of those who make a merit of cooperating with the present Japanese plans. . . . It would be a thousands pities if this admirable effort and the courageous tenacity of British diplomacy were stultified by ill-judged reliance on Japanese favor. Great Britain's good-by to China, of which there appears to be no present sign, might then be imminent."

REPORTED MOVE AGAINST JAPAN'S CENSORSHIP OF MAIL

ACCORDING to a report received in Shanghai this week, a proposal has been made that the U. S. Post Office Department place an embargo on all Japanese propaganda booklets and other materials sent to the United States, in retaliation for the Japanese action in censoring and interfering with American mail which passes through the Chinese Government Post Office here.

It was stated that the U. S. Postal Service is flooded with tons of propaganda booklets and special editions of Japanese English-language newspapers, addressed to newspaper editors, chambers of commerce, members of Congress and other individuals. These floods of Japanese propaganda always follow the docking of Japanese ships at Seattle or San Francisco.

Another suggestion in Washington was the re-establishment of a U. S. Postal Agency in Shanghai similar to the one which was discontinued, following the Washington Conference in 1921-22 when the Powers voted to discontinue their postal agencies and permit the Chinese Post Office to take over the distribution of mail. However, it was pointed out that it probably would require Congressional action to re-establish the postal agencies.

As to the other suggestion, it was thought that it might be taken by the Post Office Department without recourse to a Congressional enactment.

Japan's Economic Crisis

BY JOHN HARDING

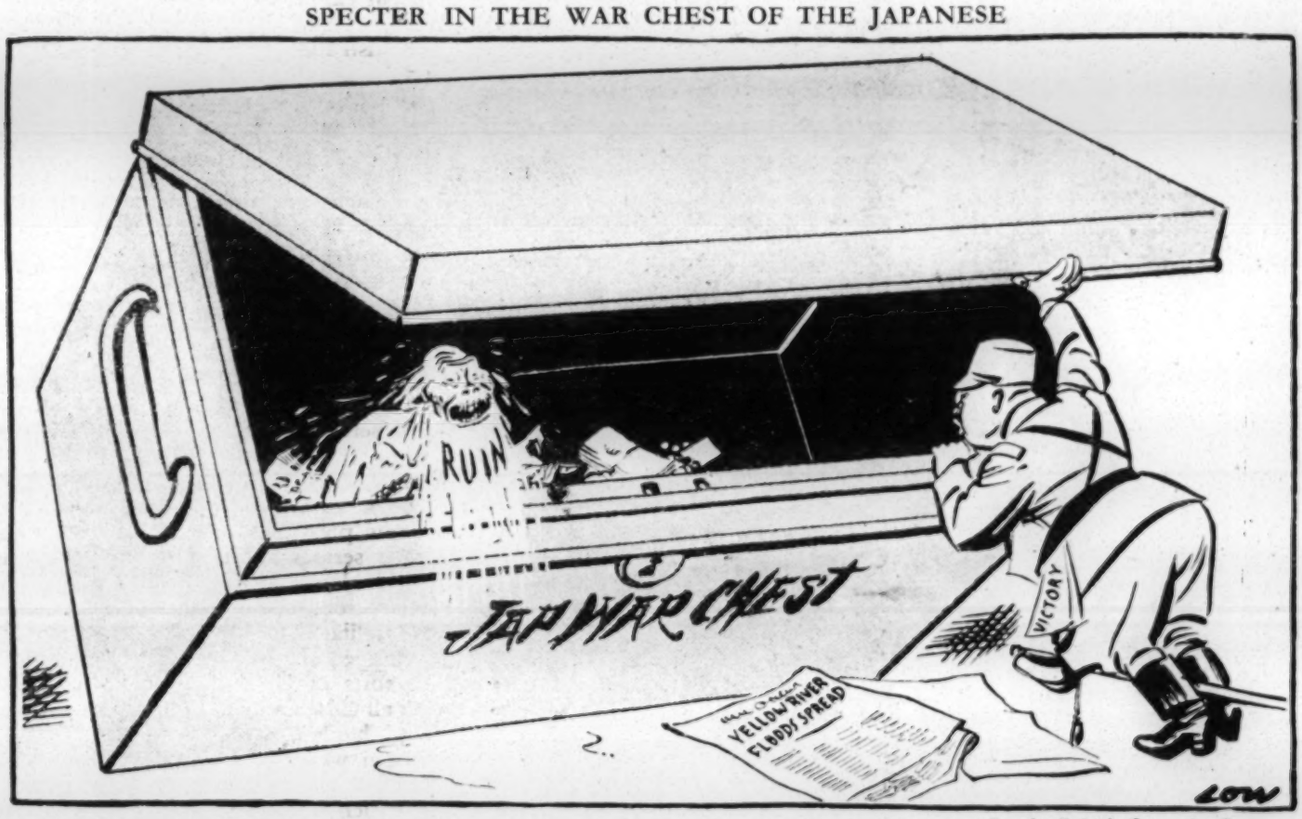
THE opinion is frequently expressed that Japan is inviting catastrophe by her war against China, and that even if she achieves military success she will have overburdened herself economically to the point of social collapse. Economically, financially and socially it is suggested, Japan is unfitted for the strain of a prolonged war under modern conditions. She has nevertheless elected to go to war, and it may be well for us to inquire in the light of the past one and a half years how far these assumptions are supported by evidence of current facts and figures.

Among the many repercussions of the present Sino-Japanese hostilities, none promises to be more far-reaching and serious than its effect upon Japanese supplies of raw materials. It is a fact of general knowledge that Japan's dependence on foreign supplies of raw materials is very considerable and the political developments which have sprung out of the present hostilities have greatly altered the favorable circumstances which faced Japan prior to the commencement of the current "incident." It shall be my endeavor to trace the circumstances that have led to the change, and present the reader with sufficient data to show the particular seriousness of the problem which has arisen to the surface as the central weakspot in Japan's economic structure.

The past decade has witnessed in Japan the presence of a self-formed nightmare, of a war with her Russian neighbour whose continuous influential growth in the Pacific area she could not stand. So in the face of the so-called "Russian menace," the Japanese government constantly and systematically prepared themselves for a war on a large scale both to arrest the Russian bear and subjugate China. In its feverish attempts the Japanese government subsidized numerous concerns in a number of industries (shipbuilding, aviation and automobile,) both by cash outlays and indirectly by tariff walls. The decline in the value of the yen has been a particularly favorable instrument in the hands of the Japanese government as a means of exploiting the labor classes and increasing the productive capacity of the Japanese industry through dumping foreign markets.

Beginning with the period after the Manchurian occupation the productive capacity of Japan grew at a particularly rapid pace, a pace totally unknown in the West, which can be readily visualized from the following table.

SPECTER IN THE WAR CHEST OF THE JAPANESE



By the British Cartoonist Low

Japan's financial structure is in an alarming state, economic achievements of seven years have been used up in one year of war. . . *The New York Times*

The General Index of The Industrial Output in Japan

Years		Years	
1931	91.6	1934	128.7
1932	97.8	1935	141.8
1933	113.2	1936	151.1

But a considerable qualitative increase in Japan's productive output is not the only significant factor, a far more important change has occurred since 1931, in the shifting of the different categories of industry. The weight of the textile industry in the total productive output has declined (from 38.8% in 1929 to 31% in 1935) whereas the productive output of the metallurgical and machine building industry has grown so considerably as to reach in 1935,—30.7% of the total industrial output. The change in the role of the different industries can be seen from the following table.

The Productive Output of the Different Industrial Categories
(in per cent)

	1929	1931	1935
Textile industry	38.8	31.2	31.5
Metallurgical industry	8.9	8.3	17.3
Machine-building industry	8.8	9.6	13.4
Ceramical industry	2.8	2.8	2.6
Chemical industry	13.9	15.8	16.7
Wooden industry	2.5	2.8	2.2
Polygraphical industry	2.3	3.4	2.0
Food industry	14.5	16.2	10.7
Total including other industries	100.0	100.0	100.0

But side by side with this favorable development there occurred a most unfavorable phenomenon in the growing dependence of Japan on foreign supplies for her raw materials. The more industrialized Japan got the more she exposed herself to danger because the dream of self-sufficiency became totally unachievable. Comparing the dependence of Japan on foreign supplies for her raw materials in 1931 and 1936, we see that in comparison with other countries it has grown considerably. The production of copper which in 1931 could almost wholly take care of the domestic demand could in 1936, only satisfy 59% of it. The armament race which had held Japan in its grips since 1933, accelerated this trend by importing an increasingly greater amount of war materials for the armament industries. This had to be managed in the face of gold exports which were necessary to maintain the value of the yen from falling further,

BREAKING THE FIST ON THE GIANT

By Orr in Chicago Tribune

so the army tried to deprive the private industries of their share of raw materials hence a serious conflict developed between the two. In order to get a better idea of the raw material famine which has developed in Japan we must notice that Japan depends on foreign supplies in the purchase of 76% of her iron ore, 41% of her copper needs, 70% of her alluminium requirements, 92% of her lead . . ., 71% of her tin . . ., 92.6% of her petroleum . . ., 98% of her cotton . . ., 95% of her wool . . ., 100% of her India rubber . . ., 30% of her cast iron needs and so on.

Japan's Dependence on Foreign Supplies

For the sake of convenience, I herewith present a table depicting Japan's dependence on foreign supplies for her raw materials.

	1931	1936		1931	1936
Food Products	2.4	2.5	Tin	No data	70.8
Coal	4.4	7.3	Zinc	"	71.1
Steel	10.6	—	Petroleum	88.5	92.6
Cast Iron	27.5	30.0	Cotton	98.0	98.0
Iron ore	71.5	76.0	Wool	95.0	95.0
Scrap iron	—	48.0	Celluloid	—	90.1
Copper	1.1	40.9	India Rubber	100.0	100.0
Alluminium	100.0	70.0			
Lead	—	92.1			

The condition of Japan is further aggravated by the fact that in her principal raw material requirements she mainly depends on the countries whose interests she violates in China. Anglo-American capital are the principal victims of the Japanese Aggression in China and at the same time it is these two countries that she mainly depends on her principal raw material requirements. Japan's principal import is raw cotton, which she imported to a total value of 850 million yen in 1936. Approximately 45% of her cotton supplies comes from the United States and 42% comes from British India. Wool came second in importance with a total import value of 200 million yen, derived almost entirely from Australia. Among other imports supplies of scrap iron, steel products, crude oil, wood pulp, machinery and cars came chiefly from the United States of America.

Japan's principal export in 1936 was cotton tissues to the value of 484 million yen, of which roughly 33 per cent went to British India, 30 per cent. to China, and 10 per cent. to the Dutch East Indies. Second in importance was raw silk, exported to the value of 393 million yen, of which the United States took over 80 per cent. Approximately 30 per cent of Japanese export and import trade was with the British Empire, while the United States supplied one-third of her imports and took one-quarter of her exports. The combined empires of Britain, the United States, France and Holland account for two-thirds of all Japanese imports and exports.

Hence the opinion is often expressed that if a joint embargo by Britain and U.S.A. against Japan were adopted than it would make it impossible for the latter to go on with her ruthless aggression. Although the prospects of such a step is still far-away, still we are able to perceive the serious raw material famine Japan is experiencing at present. The past one and a half year have almost completely exhausted the Japanese raw material reserves, as a result a very critical situation has arisen. The Japanese press is full of reports and complaints revealing the serious shortage of raw materials and skilled laborers. Japan is actually facing a metal famine which has severely hit the peace time industries of Japan, since the military are barely able to manage it. All building has stopped shipbuilding has been thrown overboard and all sorts of plans have been abandoned with the workers in all these trades foredoomed to gradual impoverishment and hunger.

Another principal weakness in Japan's economy is her inability to manufacture special and complex machinery for the supply of which she almost wholly depends on foreign countries. For example in 1936 Japan imported 89.4 million yen's worth of machinery and accessory parts of which sum U.S.A. supplied 37.9 million yen's worth, Germany 24 million yen's worth and Britian 15.9 million yen. In addition automobiles and accessory parts to the value of 37 million yen (U.S.A. 35 million yen) have been imported also transformers and dynamos to the value of 18 million yen and many other products. These figures show the great demand Japan has for foreign machinery in a period of normal life, but if we add to this the necessities of a war-time period, the reader must at once visualize the seriousness of the situation.

Lack of capital is another serious menace which is facing the Japanese military dictated government at present. The Japanese private industry increased their productive output so long as the subsidies, customary big profits and special privileges were maintained, but the minute the Japanese military took the reigns of the government into their hands they began to sing a different song, as a result the situation took a particularly grave turn when the very first months of the war forced the government heads to introduce the "Law in Respect to the Application of the armament industry Mobilization Law," for the China affair, a law which can only be introduced in case of a formal declaration of war and was first passed by Terauchi's cabinet in 1918 and which was not involved during the Manchurian incident in 1931. This law empowers the government "to take

control of, use, or requisite the whole or part of factories which have any bearing on the requirements of war or to issue orders for the distribution and supply of industrial raw materials and fuel, etc." This enactment marks an important phase in Japanese politics since it places in the hands of the military clique the power to control and manage private industry, but the efficiency of this measure is very sceptical since the military are known for their totalitarian tendencies and are bound to widen the gulfs of disagreement and conflict between government and private industry.

China's Position

And now for another phase in Japan's war economy that is China as a raw material supplier for Japan and the existence of her market as a principal consumer of Japanese exports, in the limelight of the past one and a half year.

Firstly, as regards China's position as a raw material supplier to Japan, the following table will easily reflect the significant role played by it in Japan's economy.

"China's position in the Principal Japanese Imports."
(1936)

	In Mil. Yen	In %
Coal	12.4	24.4
Ore	12.0	23.5
Cotton	22.8	2.7
Jute and Linen	7.6	20.3
Skins and hides	9.2	37.6
Animal Hair	6.0	77.4
	7.6	21.4
Oil Seeds	14.3	31.9

From these figures, one notices that China supplied Japan with 23-24% of her total coal and iron ore requirements. But in addition Japan got these at exceedingly low rates since it managed to put under its control the biggest iron-ore syndicate (Hanping). So if we compare the significance of the Japanese imports of the Chinese coal and iron ore in the limelight of their true market prices than we shall see that the Chinese supplies of coal to Japan is 25% of the total and that of iron is 32%. The particular importance of this can be grasped when we realize the situation in which Japan's metallurgical industry found itself, after China's source of supply has been cut off with the advent of the war. The Japanese press gives vent to this precarious situation but apparently with no avail since the Japanese maritime customs have stopped publishing statistical data on the importation of iron ore since 1937.

In regard to the second point, that is China's role as a consumer of Japanese goods, it would be well for us to look at this table.

As I have already remarked, the principal sufferers of the situation which has arisen have been the private industrial concerns of Japan, who have lost the principal market for their goods. The Japanese exports to China have declined by 75% in the very first month of the war, with exports to South China ceasing entirely; those to Central China declined by 20 times their normal value, and those to North China declined by three times.

"Export of Japanese Goods to China"
(in thousands of yen)

	1937 (August)	1936 (Aug.)	1937 (Sept.)	1936 Sept.)
The whole of China	3,181	12,167	4,032	15,181
Including;				
North	1,564	4,555	3,615	5,730
Central	1,581	7,196	412	9,072
South	36	416	5	379
Hong-kong	2,484	4,091	2,163	5,132

With regard to Japanese imports from China, August 1937 did not give any significant results but September showed a decline of 65% in comparison with imports from China in September 1936.

Three Forces Behind War

It is a matter of common knowledge that the prevailing forces in Japan responsible for the present hostilities have been threefold. Firstly, the traditional Samurai attitude of taking the offensive against any odds whenever there seems danger to life or a risk of loss of "face," and whether or not the dangers are real or imaginary; secondly, the irritation of the military at the new factors which reduced the speed of their progress abroad and at home; and thirdly a new nervousness lest they would miss what might be their last chance for the long delayed decisive coup against China—all these taken together made them lose whatever clear judgement and prudence they possessed, so that they rushed head long into the dangers of a protracted war in China. So we see that such a collocation of circumstances could not pass without its dire effects. The first to be hit was the Japanese Stock exchange, a market which like every other is sensitive of every unwise political move. Hence, as we expected, a panic arose on the Japanese Stock Exchange, the minute the first shot was fired. The stock of the biggest Japanese paper piece goods concern, Caregafuti Boseki (a Mitsui concern) declined almost by 35%, the stocks of other concerns producing artificial silk, steel products, chemical products have also tumbled down. The following table presents a clear cut picture of the panicky situation which is in existence on the Japanese Stock Exchange.

Market prices of Japanese Stocks (in yen)

	1-7—10-7, 1937 Maxim.	Minim.	4-9-37
Nihon Koge (Mining)	126.9	123.2	97.7
Toe Boseki (Pap. Piece)	215.1	209.0	164.9
Kanegafuti Boseki (,,)	312.3	292.9	202.9
,, (New stock)	311.4	293.5	201.4
Nihon Rayon (artific. silk)	109.4	107.8	70.1
Taykoku Rayon (,,)	153.9	147.1	116.2
,, (New stock)	137.6	129.1	100.9
Nihon Sange (Machinery)	84.1	81.4	59.7
Nnhon Kohan (Pipes)	111.1	107.2	86.1
Dainihon Sayto (Sugar)	115.4	113.3	87.0

In order to check the embarrassing rise of the country's import surplus, which this year may reach a record height of 1000 million yen and which definitely threatens the stability of the Yen, the Japanese government passed the "Law for Temporary Measures Regarding Exports and Imports" entitling it: (1). "specify articles and restrict or prohibit their export or import when such a step is considered necessary to secure the satisfactory working of the national economy in connection with the China affair; (2). "set conditions or impose restrictions on the manufacture of goods for which the articles in question constitute the raw material; (3). "issue orders regarding the distribution, transfer use or consumption of the articles in question or their manufactures; (4) "collect reports or conduct inspections regarding matters pertaining to such restrictions or prohibitions."

Foreign Trade Subordinated

So we see that the new law subordinates the foreign trade of the country to the purposes of military aggression and has as its objective an increase in raw materials for war purposes at the expense of a curtailement of the import of industrial raw materials. Hence the Japanese textile industry which is solely dependent for her raw material supplies on foreign countries was most severely hit and since it plays a major role in the export trade of the country, the effect of this upon the export capacity of Japan can be easily visualized.

Besides a curtailment in the importation of food products is also planned. The Japanese government has appealed to the Japanese people for "self-limitation" in consumption and "economy" in personal habits also aiming at increasing the possibility of importing a greater amount of raw materials for war purposes at the expense of lowering the standard of living of the Japanese people For the period ranging from Sept., 1936 to July, 1937, the import of cotton in comparison with a similar preceding period increased from 13,223th. bales to 15,601th. bales. The import of wool for the first half year of

1937 amounted to Pounds Sterling 213 million which marked an increase over the first half of 1936 (Pounds St.180.3 million). However a particular increase in the import of iron scrap and steel materials may be noticed from the following table:

Import (In th. of Yen)	Scrap	steel materials
For the 7 months of 1936	648	183
For the 7 months of 1937	1355	407

According to the *Osaka Mainichi* (7-10-37) the import of cotton is to be curtailed by 10% in comparison with the figure for 1936, import of wool by 30% and timber by 20%. The same journal predicted that a curtailment in the imports of cotton, wool and other less important products in the second half of 1937 would yield a decrease of 300 million yen, which, however, fell far below the set mark, hence in order to improve the situation a list of some 300 commodities was published whose import was prohibited entirely. Further pressure from the Japanese military clique to increase the productive output of the armament industries resulted in the overburdening of the metallurgical industry which is working beyond its capacity and is threatened with a total breakdown.

In order to preserve the resources of the capital market, already narrow, for the requirements of the Armament and allied industries the government passed the "Law for the Emergency Regulation of Capital Investments," which entitled the government to (1) "regulate the use of domestic capital, as a means of mutually adapting the supply and demand of capital and goods in connection with the China Affair," (2) "submit to government permission the lending of capital in connection with the creation of extension or improvement of the equipment of an enterprise, as well as transactions like the subscription to the underwriting of, or the issue of securities by banks, trust companies, insurance companies, the Central Treasury of Merchant's and Manufacturers' Guilds, the Federation of Credit Associations, or underwriters; (3) "appoint, for examining or discussing important matters concerned a Temporary Capital Regulation Commission." However the organization of this commission mentioned in the above law, did not prove sufficiently powerful to guide into "armament industry" channels the newly accumulated capital since facts have shown that of the first three permits granted one was in favor of an iron manufacturing company, the secnod went to a cotton spinning mill and the third to a candy concern. Hence this law failed to achieve its objectives and was another flop of the Japanese Military to strangle Japan's industry.

Underproduction Crisis

Coincidental with this failure a serious underproduction crisis has developed as a result of government interferences and military planning. In the paper piece goods industry according to a Japanese magazine *Toe Kaydzai* (9-10-39) the factual underproduction amounted to over 40%. With particular severence were hit the small and medium sized producers, who produce nearly half of the total output. According to another Japanese press organ, *Tugai Dzaikai* of 15-10-37, 50% of the spindles in the Japanese spinning concerns have been rendered idle and an increasing amount of abandoned inventory is witnessed in the Japanese Textile industry which is experiencing a particularly severe crisis.

Beginning with last August, there commenced a curtailment in the production of artificial silk whose continuous growth has not stopped in the last five years. In september, 1937, the production of artificial silk, amounted to 270,0th. boxes as against 288,8th. boxes in August and 294.7th. boxes in July.

According to *Diamondo*, a Japanese newspaper, of 1-10-37, the under-production on artificial silk plants has reached 33.5% mainly due to the governments prohibition to import celluloid. A similar situation has arisen in the silk-weaving industry, where most of the small spinners have suspended production, whereas a 50% diminution in the productive capacity of the big concerns has been experienced. Similar reports have come from the woolen industry where due to the prohibition of importing wool, a conflict has arisen between the financiers and the military due to the latter's insistence on the introduction of substitutes.

Of all these serious drawbacks a far more embarrassing situation has arisen as a result of an increased import of armaments and raw materials for war purposes. Normally Japan has an adverse balance of trade but the beginning of the present hostilities have outstripped all expectations. During the first year of the war an average adverse balance of trade amounting to 65,000,000 yen per month has been recorded. The present year figures are 45,000,000 yen a month, excluding the countries of the Yen Block (Manchuria, North China, and the occupied areas.) Last year record figures would have been reached again if the latter would have been included.

With the prohibition of cloth and woolen imports the prospects for the diminution of the adverse trade balance have been further darkened since that means a lower ability to export. Furthermore the last named measure provokes a series of trade conflicts i.e. with Australia, British India and U.S.A. In regard to the first according to the Japano-Australian trade agreement concluded on the 28th of December, 1936, Japan undertook to import for the period ranging from 1937 down through the first half of 1938 not less than 800th, bales of, Australian wool. In its turn the Australian government fixed an export quota for the Japanese piece goods and artificial silk at 76,876th yds for 1937, and a total quota for both at 102.5th. yds for the half of 1938. With the curtailement of Japanese imports of Australian wool—Australia will automatically limit the imports of Japanese paper piece goods and artificial silk.

In regard to the second the smallest curtailement of Japanese imports of cotton from British India will automatically provoke the latter's curtailement of Japanese exports of paper piece goods to British India which will only be an invocation of the Indo-Japanese agreement concluded on the 12th of April, 1936 which stipulated Japan's undertaking to import a million bales of cotton annually for a period of 3 years, in return for which the Japanese export quota for paper piece goods was placed at 283 mil. yds. per year.

The Indo-Japanese and Japano-Australian trade pacts put the export of Japanese piece goods into direct dependence on Japanese imports of cotton and wool. Similarly the curtailment of Japanese imports of cotton from U.S.A. will lead to the latter's curtailment of its imports of Japanese raw silk. Already in September 1937 the import of Japanese raw silk by U.S.A. showed a considerable decline and if trade conditions in U.S.A. get worst there is not the slightest doubt that Japan will lose its basic raw silk market. The prospects of Japanese foreign trade are further darkened by the fact that a wide boycott of Japanese goods has spread throughout the world. Resolutions boycotting Japanese goods have been adopted by millions of Chinese people residing in the countries of the Pacific. In addition similar resolutions have been adopted by the South African trade unions. In U.S.A. a number of trade unions and press organs are carrying out a campaign for boycotting Japanese goods. The role of these movements should not be thought of as insignificant as they exert a tremendous influence upon the buyers of Japanese goods.

War Chest Low

Another aspect of the Japanese war economy is the embarrassing position the Japanese war chest has found itself in. The national debt increased from 4,5 milliard yen in 1931 to 9,5 milliard yen in 1937 and 20 milliard yen in 1938, that is it has multiplied itself by five times.

The initial budget for 1937 showed an expenditure of 2,872 million—of which the army and navy require 1,409 million—and a normal revenue of 1,900 million. At the beginning of the present hostilities the 71st extraordinary session of the Imperial Diet passed a supplementary appropriation bill for the expenditure of an additional 537.1 million in connection with the North China "Incident". But the "Incident" turned into a prolonged war so that the expenditure for 1936/37 amounted to 1,001,060,000 yen and an additional appropriation was passed providing for the the expenditure of 7,379, 900,000 yen. So we see that the yearly deficit for the fiscal period 1937/8 has already exceeded the total national income of Japan. In order to cover such huge expenditures the Japanese government resorted to raise internal loans through bond flotation. But there are now signs of indigestion and it is very doubtful whether it will be able to float an additional 7,379 mil. yen worth of bonds.

Formerly the decline in the value of the yen in terms of foreign currencies played in favor of Japan, as it enabled the Japanese business men to dump foreign markets but now in the face of a continuously growing adverse balance of trade Japan has to make bigger and bigger transfers on capital account (i.e. gold shipments) in order to prevent the value of the yen from falling to a lower level. For the past 16 months Japan has exported to the United States gold valued at U.S.$352,800,000; that is an increase of 250% in comparison with the period between 1931—August, 1938; That is the fact that Japan is mainly an

importing country became of paramount importance since Japan imported a continuously greater amount of goods. Moreover the prices of imported goods rose faster than the prices of export goods.

Index of wholesale Price (Dec. 10, 1931 is 100)

	1936 (31 Aug.)	1937 (31 Aug.)
Export Goods	140.5	154.5
Import goods	213.7	286.4

Hence in the face of a rapid rise in prices of imported commodities and the necessity of importing a greater amount of the same the Japanese government began exporting gold in order to curb the falling value of the yen.

Export of Gold From Japan (In U.S.$—millions)

For the period Dec. 1931—March, 1934	**183.3**
For the period March—July, 1937	**327.5**
For the period July 1937 to August 1938	**352.8**

Hence in order to combat the bankruptcy menace which is facing Japan, it has mobilized all available gold reserves from the Banks of Japan, Korea and Formosa. Prior to the devaluation the gold reserves of the Bank of Japan (after mobilizing all possible resources) were equal to 497 mil. yen at a gold content of 750 milligrams per yen. But since than the Japanese government had decreased the gold content of the yen to 290 milligrams. This manipulation yielded to the Japanese government a profit of 747 million yen, to be created into a fund for the payment of war expenditures.

But looking realistically at the situation, we will see that according to the old parity the actual gold reserves of the Bank of Japan have been lowered from 448 mil. yen to 300 mil. yen although superficially it looks as if the Japanese gold reserves increased to 801 mil. yen.

So the results at a glance of the present hostilities are a 80% decrease in the gold reserves, a growth of the National Debt to the formidable sum of 20,000,000,000 yen and an over issuance of bonds with an indigestable loan market.

Farmers and Laborers Suffer

Of all the people in Japan the two classes that suffered most severely were the laborers and the farmers.

With regard to the first the curtailment of production in the textile and other non-armament industries have resulted in a considerable growth of unemployment. But in addition to the material deterioration, a physical degeneration of the laborers who are still in employment has come about, through the extension of the working day, particularly in the heavy and armament industries. In the mining industries the existing law protecting women and child labor has been practically abandoned. On the coal mines, night labor has been introduced; the working day has been prolonged and women and children have been employed on a wide scale with cases of ten year old children having been reported already.

This unfair exploitation of women and children in the mines have according to Japanese press dispatches resulted in protests from laborers and various trade unions. Pressed by the labor groups the Japanese Reformist Council "Sodomei" has sent a petition to the Japanese government drawing its attention to the exploitary measures of the Japanese military clique. Particular stress was laid on the fact that the working day had been extended to 16-17 hours and secondly the disastrous effect of the rise in prices upon the living conditions of the working class. It further drew the attention of the government to the miserable condition of the masses to whose impoverishment and suffering there must be a limit. (Rodo, 11-10-37).

Considerable unrest has been felt in Japan due to the rise in prices, which has been accompanied by a decline in "Real Wages." In September, 1937, the index of wholesale prices was 11% higher than in September 1936, that is it has risen from 162.4 to 177.6. And a further 14 point rise has been recorded giving the latest figure at 191.6. The significance of this can be grasped at once when we take into consideration the relation of labor and capital. In July, 1937, there took place 129 conflicts in which 5,563 workers took part. (3,779 participants in July 1936). The following table depicts the sharp increase in the number of industrial conflicts and growth of organized labor movement in Japan.

Labor Conflicts in January—July

	1937	1936
Number of conflicts	1612	1058
Number of participants (in thous)	188.5	48.5

For the seven months of 1937 the number of participants has quadrupled and the number of conflicts increased by 50%.

And now with regard to the farmer groups, 1937 has shown a sharp deterioration in the material condition of the farmers. The collection of the summer and autumn cocoons has given the smallest yield for the last six years. In 1937 the collection yielded 37/mil. kan, whereas in 1936 it comprised 41.5mil. kan, that is a decline of 13%.

Coincidentally, a fall of 30/mil. yen in the income producing capacity of the silk industry has been recorded. In 1936, the income producing capacity of the autumn and summer cocoons was valued at 186 mil. yen but in 1937 it declined to 156 mil. yen. Such a decline in the income yield of the farmers' amidst an entourage of rising prices and costs, darkens the future prospects of the Japanese silk industry not mentioning the material deterioration of the farmers.

Rice Yield Declines

The rice yield this year is also showing a considerable decline as against the last two years. It is estimated that the present year will yield 62/mil. koku as against 65/mil. koku in 1936. In addition natural disasters like floods and draughts have added to the general impoverishment, and famines have been experienced in many districts in Japan. Most of the farmers have been forced to sell their crops before harvest, showing the particular acuteness of their condition.

Rents and interest rates have reached unprecedented heights and with the future uncertainties prevailing in the minds of the Japanese business men, all private industrial activities have stopped except in those that are connected or related to the armament industries. Adding to the wholesale unrest and discontent are the requisitionary measures of the Japanese military who without any consideration of the economic effects confiscate the property of the Japanese farmers and laborers.

From the above it is clear that Japan has a very difficult task on her hands, the more so because she will be unable to raise loans abroad as she did in the Russo-Japanese war of 1905. A drastic reduction in the standard of living of the people has been witnessed already and there is not the least doubt that a social and economic collapse will be witnessed in the near future.

COMPLICATIONS OF THE AMERICAN HOSPITAL AT WUHU

THE Wuhu General Hospital, operated by American doctors under the auspices of the Methodist Mission, has managed to remain open continuously throughout the crisis despite its location at the little river port of Wuhu on the Yangtsze in Anhwei province, which has been in the center of hostilitiey almost continuously. On two or three occasions Japanese military officers were prevented from closing the institution by timely assistance rendered by the commanders of the American and British gunboats anchored in the vicinity. It will be remembered that the British Gunboat Bee was shelled by the Japanese when they attacked Wuhu, and the American river patrol boat, the Panay, was bombed and sunk by Japanese airplanes in the vicinity of Wuhu.

According to an article about the complications which the hospital management has experienced, which appeared in the *North-China Daily News* recently, the following itemized statement listed instances of Japanese interference, usually by under officers:

1. The refusal to give passes to Chinese members of the staff unless they first resign from the institution, thus making them virtual prisoners in Wuhu. No staff member has resigned.

2. Forbidding the Chinese hospital chauffeur to drive the hospital cars.

3. Objection to the least ray of light from the hospital windows at night when lights in their own military quarters and other places in the city showed clearly.

4. Demand to take women staff members from the hospital for questioning in connection with registration when the commanding Japanese officer had promised the hospital authorities the women need not leave the hospital for registration.

5. Refusal in some cases to accept the hospital certificate of inoculation against Cholera and Typhoid. The Chinese government has always accepted the hospital certificate.

6. Demand and forcible attempt to search American property of the hospital to abduct Chinese lady doctor, which was prevented.

7. Demand that the city clinic of the hospital, conducted on American property should close until the Japanese had given permission for it to open. Abduction by force of American doctor from the clinic in attempt to force its closure. The clinic continues open and the hospital policy has been strongly backed by the American government.

8. Intimidation of patients going to the hospital and the irritation of others by the sentries at the hospital gate. They make unnecessary and repeated examinations of staff passes and use very severe measures with the Chinese sometimes taking things from them when searching their belongings.

Japan Seen in Deliberate Attempts to Smash American Interests in China

ONE of the significant phases observable in Japan's present drive on Hankow was her renewed aggressive attitude toward the United States. With the fighting on the Yangtsze front becoming more bitter and intensified, the Japanese military were again showing flagrant disregard of American interests. That the Japanese attack on the passenger plane of the China National Aviation Corporation, a Sino-American enterprise, and the explosion of mines near the U.S.S. *Monocacy* above Kiukiang should have occurred within less than a week was clear indication of deliberate Japanese provocation to America.

Commenting on the two incidents, Dr. Wang Chung-hui, Foreign Minister, expressed the view that Japan was purposely endangering American lives and property and instituting business monopolies in an effort to drive the Americans out of China. Since the sinking of the U.S.S. *Panay* last December, Dr. Wang pointed out, American properties in China, including churches, schools and hospitals had been repeatedly bombed by Japanese aircraft. Properties seized by the Japanese in former war areas have not been returned, though the hostilities have shifted hundreds of miles away and repeated diplomatic representations have been made in Tokyo.

Japan could not be expected to observe the "Open Door" policy in China, Dr. Wang asserted, for it was precisely the object of her invasion to establish undisputed political and economic control over this country. Nor was Japan likely to discontinue attacks on American power, for the influence of the United States as a champion of peace and democracy could not be reconciled with the inordinate ambitions of Japan's militarists.

To prevent Japan from becoming a menace to all peace-loving nations, Dr. Wang urged that the least the United States could do was to cease supplying Japan with essential war materials and withdraw further financial support for her aggression by ceasing to give her credits. Any such action, Dr. Wang believed, would surely have sobering effect on Japanese militarists in view of America's important position both as a customer of Japan and as the supplier of her war needs.

Itagaki Fulminations

Forgetting his humiliating defeat at the hands of the Chinese in Taierchwang battle last April, Lt.-Gen. S. Itagaki, Japan's War Minister, was again indulging in bombastic talk, when he told the jingoistic Japanese press that even if Gen. Chiang Kai-shek should surrender, Japan would not accept his capitaultion. Such talk might be good propaganda for home consumption, but Lt.-Gen. Itagaki was really letting wish to be the father of thought, for the last thing he could with reason expect was that Gen. Chiang would give up the struggle to accept Japanese domination. Lt.-Gen. Itagaki's speculations on what would likely follow the fall of Hankow were simply idle, for despite their vigorous campaigning during the past three months which had cost them heavily in manpower and resources, the Japanese were still having a hard time. Even if Hankow should fall, that would not bring the Japanese nearer the end of the war. General Chiang would merely retire further inland and continue the struggle, keeping the Japanese forever on the run without achieving her objective, namely, subjugation of Chinese resistance.

A pretentious tone was also adopted by Prince Priemer Konoye when he, interviewed by John R. Morris, Far Eastern Manager of the *United Press*, reiterated his confidence in the ultimate success of Japan's campaign in China. He asserted that he was convinced that the Japanese nation would be able to surmount all difficulties arising from the campaign and bring it to a successful conclusion. Prince Konoye's determination to "beat China to her knees" is proverbial, but so far his determination has brought him no more consolation than his vocal satisfaction.

Joining in the chorus of Lt.-Gen. Itagaki and Prince Konoye, S. Ikeda, Finance Minister and concurrently Minister of Industry and Commerce, foresaw the need of stationing Japanese garrisons in China. Denying rumors that controlled economy in Japan would be relaxed should Hankow fall, Mr. Ikeda said that no relaxation was likely even after the termination of the present hostilities. He indicated that controlled economy might possibly be further strengthened in Japan because of the need to station troops in China and to replenish Japan's national defences against the Soviet Union.

Japanese sources alleged that a secret agreement had been concluded between Great Britain and France in regard to China. It was claimed that the agreement provided for more positive assistance to China in order to retard the Japanese advance up the Yangtsze to Hankow.

It was also rumored in Japanese circles that Soviet Russia was giving China more positive assistance, particularly in matters connected with heavy industry and training of Chinese aviators. M. Kaganovitch, Commissar for Heavy Industry and Railways and brother-in-law of Joseph Stalin, was reported to have been entrusted with supervising execution of plans to aid the Chinese Army in technical matters.

Wuhan Defense Progresses

With the Japanese drive on Hankow approaching a crucial stage, Gen. Chen Cheng, Hupeh Chairman, has been appointed by Generalissimo Chiang Kai-shek as Commander-in-Chief of Chinese Forces defending the Wuhan area. A total of over 90 divisions would be placed under the command of Gen. Chen, to be assisted by several squadrons of some 100 warplanes. With Wuhan as the center, heavy forces are being stationed within a radius of 200 kilometers of the area.

Gens. Chen Shu-nung and Chen Ching-shan, Commander and vice-Commander of a newly-trained Szechuen Army, left Chungking for the front to participate in the campaign of resistance.

A group of 76 overseas Chinese engineers arrived at Canton from Burma to join the Chinese army as volunteers. Their services would be enlisted in the mechanized units of the Army.

People in Tibet are loyal to China and ready to participate in the defense of the nation, Chinese authorities in Chungking were assured by Tibetan leaders. At a recent conference of Tibetan officials in Inner Tibet, a telegram was sent to Gen. Chiang Kai-shek as an expression of Tibet's appreciation of his services.

Chinese circles in Hankow were showing considerable interest in the meeting of the League of Nation's Council and Assembly at Geneva this week. All leading Chinese papers in the war capital appealed to the League to give more active support to China against Japan than had been done heretofore.

"We want to know definitely whether or not the League Covenant is valid, and also whether or not the League of Nations' resolutions are meant to be carried out," queried the *Ta Kung Pao* in an editorial article. The paper said that China was tired of empty resolutions. The Chinese Government must weigh China's rights and obligations under the League Covenant and also must determine whether the League really means to help China or not. The Chinese people have waited patiently

for one year, but now they must have a definite answer. The *Ta Kung Pao* expressed dissatisfaction with the leading members of the League failing to carry out the resolutions of assistance to China. Rejection of a loan to China by Great Britain was especially regretted.

The *Ta Kung Pao* and other papers were demanding the application of Article 17 of the League Covenant, which provides that a non-member of the League may be called upon to discharge the obligations pertaining to members of the League and that if the state in question refuses, sanctions stipulated in paragraph 16 should be enforced.

New Chinese Envoy to Moscow

Gen. Yang Chieh, new Chinese Ambassador to Moscow, presented (Sept. 4) his credentials to M. Kalinin, Chairman of the Presidium of the Supreme Soviet of the U.S.S.R.

In a report on his mission to Moscow, Sun Fo, President of the Legislative Yuan, who returned to Hankow last week, declared that during his interviews with Soviet leaders including Joseph Stalin, they all expressed optimism regarding the future of China's war of resistance. Internally, they said, the situation in China was more favorable than that in Soviet Russia in past years, because China is now a united nation guided by a capable leader in the person of Gen. Chiang Kai-shek. Internationally, the Soviet leaders believed that China is also in more favorable position than the Soviet Union in 1917, because China has only one emeny to face and with the exception of Germany and Italy all the other Powers are sympathetic toward her cause.

The second general session of the People's Political Council was scheduled to be held in the middle of this month at Chungking instead on October 10, National Independence Day, as reported in the press, according to a Chungking report.

Posthumous honors were conferred on Hsu Sing-loh and Hu Pi-kiang, two leading Chinese bankers, who were killed by the Japanese in an air attack two weeks ago, by the Executive Yuan, on recommendation of Dr. H. H. Kung, the Yuan President. Compassionate grants were made to the families of the late Messrs. Hsu and Hu.

Provincial Subsidies Increase

Over 6,000 exorbitant and miscellaneous taxes imposed by various provincial authorities upon the people have been abolished in the past several years, according to a spokesman of the Ministry of Finance. With the abolition of these taxes, the provincial authorities have their revenues reduced by over $70,000,000 and as a result the Central Government has to give more and more subsidies to the provincial authorities.

September 1, the annual Press Day, was observed at Hankow and Chungking. The Wuhan Press Association issued a special message of encouragement addressed to Gen. Chiang Kai-shek as well as the rank and file resisting the Japanese invaders at the front. At Chungking, addresses on the significance of Press Day and the importance of publicity during the campaign of resistance were delivered by Chen Pin-ho, representative of Chow Fu-hai, Director of Central Publicity Bureau, and Dr. T. T. Li, Director of Intelligence and Publicity Department of the Foreign Office.

Gen. Wu Te-chen, Chairman of Kwangtung, arrived at Hongkong last weekend to return the recent visit to Canton of Sir Geoffrey Northcote, Governor of Hongkong. Gen. Wu was entertained at luncheon given in his honor by Sir Geoffrey.

"Shun Pao" to Resume Publication

Shun Pao, oldest Chinese newspaper in Shanghai, which was suspended last November as a protest against the Japanese attempt to censor it, will resume publication on Sept. 18, the seventh anniversary of Japanese invasion of Manchuria. Registered with the American authorities, the paper will not be subject to Japanese censorship. Japanese reports allege that Chen Li-fu, Minister of Education and influential Kuomintang leader, has sent Chow Hsin-wen, former director of Chinese Students' Affairs in Japan, to Shanghai as editor of the paper.

In obtaining American protection, the *Shun Pao* will be following in the footsteps of the *Sin Wan Pao*, which is being published by the Pacific Publishing Company, a Delaware Corporation, since Sept. 1. Previously, the *Sin Wan Pao* submitted to Japanese censorship.

More American Papers

Japanese sources also allege that Hankow authorities are planning to publish a new paper in Shanghai to be known as *Chung Mei Jih Pao* (*Sino-American Daily*). Meanwhile, plans are on foot to incorporate the *Ta Wan Pao* (*China Evening News*) with the American-registered *China Press* in order to evade Japanese censorship. The *Lih Pao* is also reported to be making arrangements to resume publication, negotiations said being carried on with the publishers of the *Shanghai Evening Post and Mercury* to buy back its printing plant.

Chang Ping-hui, formerly official in the Bureau of Social Affairs of the Greater Shanghai Municipality, joined the puppet Nanking regime, as "Vice-Minister of Interior," according to Japanese report.

After the seizure of the postal administration in North China by the Japanese, the Nanking authorities are renewing their attempts to assume full control of the Chinese Post Office in Shanghai. In a statement to the press, a high official of the Post Office here declared that under no circumstances would present employees of the Shanghai Post Office permit its being taken over by the Nanking puppets.

The New Asia Hotel, headquraters of Japanese intrigue in Shanghai, will soon house a new organ, the Judicial Yuan which is being organized by the Japanese Special Service to function under the Nanking regime.

In view of the departure from Shanghai of Zing Yu-ching, who is wanted by the Settlement Police, the so-called "Huang Tao Hui" (Yellow Way Society), pro-Japanese terrorist organ headed by Zing, will be reorganized under a changed name, "Huang Chu Hui" (Yellow Race Society), according to a Chinese report. The re-named terrorist organ will continue to be housed in the New Asia Hotel, probably with a new leader.

Chi Hsieh-yuan, Peiping's Minister of Pacification, reportedly arrived at Shanghai from Tientsin on Aug. 31, with headquarters at the Astor House. Chi was said to have had several conference with Liang Hung-chi, head of the Nanking regime, but the nature and details of their conversations were not divulged.

It was also reported that Wang I-tang, another leading member of the puppet Peiping regime, was visiting in Shanghai. His mission was to negotiate with Nanking on the status of Shantung, jurisdiction over which both Nanking and Peiping claimed. Wang suggested that the province be divided into districts, the northern to be controlled by Peiping and the southern by Nanking.

To facilitate their control over the Mongolians in Inner Mongolia, the Japanese authorities at Peiping recently organised a Mongolian Border Committee, under which were six departments, each headed by a Mongolian puppet, assisted by several Japanese advisors.

Japanese to Be Taught at Sungkiang Schools

Japanese will be included in the curriculum of five primary schools which will open under municipal auspices in Sungkiang, town on the Shanghai-Hangchow Railway, the *Shanghai Mainichi* reported this week. Decision to add Japanese classes, the daily said, followed the success achieved by the Japanese Language School in Sungkiang which graduated 236 youths on Aug. 19. Classes were begun in January, the teachers being Japanese non-commissioned officers from the garrison troops who had educational experience at home, the *Mainichi* report added. The valedictorian of the graduating class, the paper continued, made an address in Japanese "with a fair degree of fluency."

Hankow Ready As Japanese Troops Draw Nearer

WHILE China completed last minute details for the defense of the Wuhan district, this week Japan's troops drew nearer to their objective—Hankow—scoring a major gain along the "shortest route" to the city with the occupation of Kwangtsi, walled city on the southeastern edge of Tapieh range in western Hupeh Province. Japanese reported that with the fall of this city, they were in a position to threaten the rear of Wusueh, strongly fortified part on the northern bank of the Yangtsze. Extending from Wusueh across the river to Matauchen is a boom barring the way to the Japanese navy in its westward advance through the Yangtsze "bottle neck" area.

Meantime, Chinese forces evacuated Mahweiling after a desperate effort to save the city. Failure to block the Japanese advance, Chinese said, was due to the collapse of their left wing in the early stages of the battle, "which proved too big an obstacle." On September 6, the Chinese command ordered his troops to withdraw southward, and to form a junction with the main body of Chinese forces which had previously withdrawn from Mahweiling.

Earlier in the week, it appeared that Chinese troops might effectively hold up Japanese assaults in this area for some time. Fighting on the north bank of the Yangtsze west of Hwangmei was particularly ferocious, with losses on both sides being heavy. On the south bank, the heaviest fighting was said to have been centered in the northern outskirts of Juichang and west of the Lushan mountains where the Japanese march on Tehan, "gateway to Nanchang," was claimed to have been halted. The following day, Japan has broken resistance here and marched on.

Foreign news correspondents in the war zone continue to be unimpressed by Japan's military successes. Based on reports from their correspondent, the *Daily Telegraph* in London said on September 6 that "by all accounts the new Japanese offensive in the Yangtsze has hitherto made slow progress and has failed to take any important strategic points."

The Chinese, the newspaper continued, are putting up stout resistance, and while doubtless they will be forced to yield to superior Japanese equipment they should be capable of holding the enemy for a considerable time in the big lake system surrounding Hankow. The fall of Hankow, the journal asserted, will doubtless be only a matter of time, but it is unlikely to bring the Japanese much nearer the end of the war. General Chiang Kai-shek will merely retire still farther inland and be as elusive as ever and as solidly supported by the sentiment of the nation.

Japan Optimistic

Despite discrediting foreign reports, Japan's military leaders continue to exude confidence and optimism. On September 6, the headquarters of the Japanese Expeditionary Forces in Central China, at Shanghai, issued a communique:

"The first Chinese defense line of the Wuhan area south of the Yangtsze river is now showing signs of collapse due to the Japanese attacks and the enormous Chinese casualties. The losses inflicted upon the Chinese forces at the battles in this sector up to Sept. 3," the communique stated, "are as follows: 25,000 Chinese corpses left behind in the battlefields and four field guns, six machine guns, 15 trench mortars, 50 heavy machine guns and large numbers of rifles and immense quantities of ammunition captured by the Japanese.

"Immediately following the capture of Kiukiang on July 26, the Japanese forces, which broke through the Chinese positions in the areas southeast of the Yangtze port and marched southwards, beginning about July 30 started to launch furious onslaughts upon the strong Chinese positions defended by several divisions entrenched along the line of Lake Chengmen, Maanshan and Niutoushan. Gen. Chiang Kai-shek's troops in this sector, stating for home and foreign propaganda, that they would defend the Wuhan areas to the bitter end, increased their strength which has amounted to as much as 30 divisions, and staged a series of counter-attacks upon the Japanese, but the Japanese, always acting first, have frustrated the Chinese attempts.

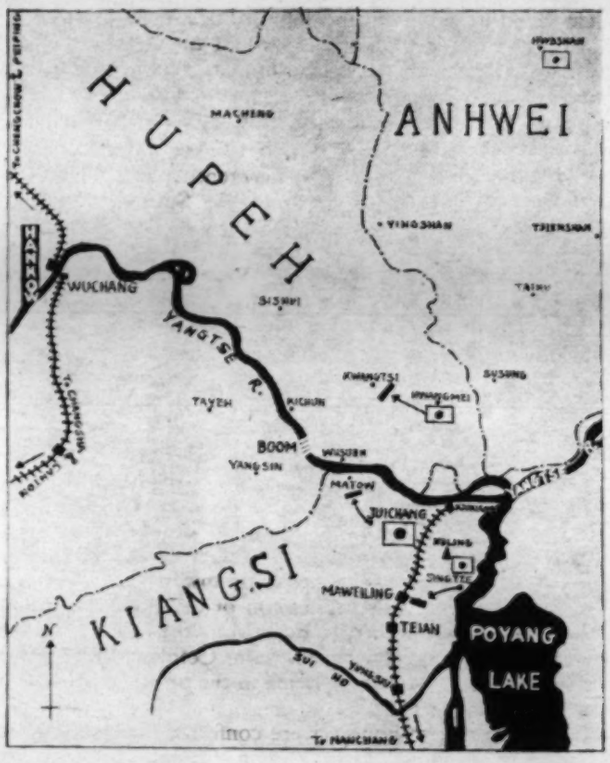
"However, owing to the forbidding terrain, strong positions of the Chinese and heat of over 100 degrees, the Japanese troops suffered pretty much, and for a while there prevailed a lull in the fighting. Even during this hard time the Japanese forces awaited their opportunities and with the start of their tactical operations in the areas of Singtze and Juichang on Aug. 27, commenced their general onslaughts upon the Chinese positions facing them with co-operation of Japanese military and naval aircraft, and on Sept. 2 forced the Chinese to give up their ground along their entire lines.

"Thus surging onwards, the Japanese took every Chinese position in their path and in the evening of Sept. 3 pushed on to the line running east and west through Mahweiling, and are now going on to attack the Chinese positions south of that strategical point on the Kiukiang-Nanchang Railways."

Japanese Commander Killed

Meanwhile, Tokyo charged that Chinese authorities have established military positions in the old British Concession at Hankow and also on The Bund adjacent to foreign property. Tokyo said that Japan's promise of protection for foreign property in Hankow "will be nullified unless Third Powers persuade the General Chiang Kai-shek regime to dismantle all military works established on The Bund and in the former British Concession."

Tokyo also admitted that Commander Kunigoro Iizuka, leading the Iizuka detachment which reduced Tungkuling Hill at the southeastern base of the Lushan Mountains, was killed in a battle in the Singtze sector south of Kiukiang September 3. Commander Iizuka succeeded the late Major-Gen. Haruo Kano, then a colonel, in October of last year and distinguished himself in the operations



China Weekly Review Map.

Hankow looms closer to view as Japanese troops continue their tedious march along the northern and southern banks of the Yangtsze river. On this map, flags indicate Japanese troops; bars are the Chinese. Since the artist sketched troop positions, Japanese claimed to have occupied Kwangtsi, on the northern bank, while Chinese have admitted the loss of Mahweiling, on the Nanzing Railway. But as the Japanese navy proceeds upriver, paralleling the movements of land forces, greater obstacles are ahead for it. Map shows the boom across the river above Wusueh.

which resulted in the capture of the Tazang area on the outskirts of Shanghai, and participated in the Siberian incident of 1919.

China, however, this week claimed one major victory when Chinese troops smashed back Japanese lines on the southern bank of the Yangtsze, in southern Anhwei, on September 3 and 4. After 24 hours' ferocious fighting, the second Chinese column recaptured Liyangho on September 4. The three columns then converge and launched a concerted assault on the Japanese near Matasze. The Japanese troops were forced to escape to the warships, leaving small detachments to fight rearguard actions.

Operations Along Lunghai

Meantime, things began stirring in the north. Japanese claimed that no September 4 forces along the Lunghai Railway, inactive since the Yellow river floods in June, resumed operations. Secrecy was, however, maintained regarding the starting point of the new reported Japanese offensive as well as its direction. Japanese officers claimed that "considerable progress" had been made by this "mystery column" which, they said, had successfully overcome the resistance offered by Chinese troops encountered on the way.

Coupled with the recent Japanese operations in Shansi and northern Honan, resulting in the seizure of various Yellow River fords, the new movement is expected here to exert serious pressure on the Chinese deployed along the southern portion of the Peiping-Hankow Railway, south of Chengchow, and along the Lunghai line between Chengchow and Sian, *Domei* said.

Poison Gas Charges

Added to the many Chinese charges of the use of gas by Japanese troops was the Chinese report of September 1 that Japanese fired more than 100 poison gas shells toward Chinese positions as the Nipponese attempted to occupy Paiyishan and Taohwachien. Caught unprepared, the Chinese report said, the entire battalion of Chinese defenders was killed.

Pssst! Mr. Moto!

BY PETER SOUTH

An observer's note to Mr. Moto, fictionized Japanese secret service man:

Dear Sir, *a-no-ne*! Since President Franklin D. Roosevelt and Secretary of State Cordell Hull made their momentous speeches in mid-August and thereby laid the corner stone for a new era in American history, America's swing away from "frog-in-the-well" isolationism has been so rapid and so many things have happened, it would take more than a short-hand expert to note every move that has been made.

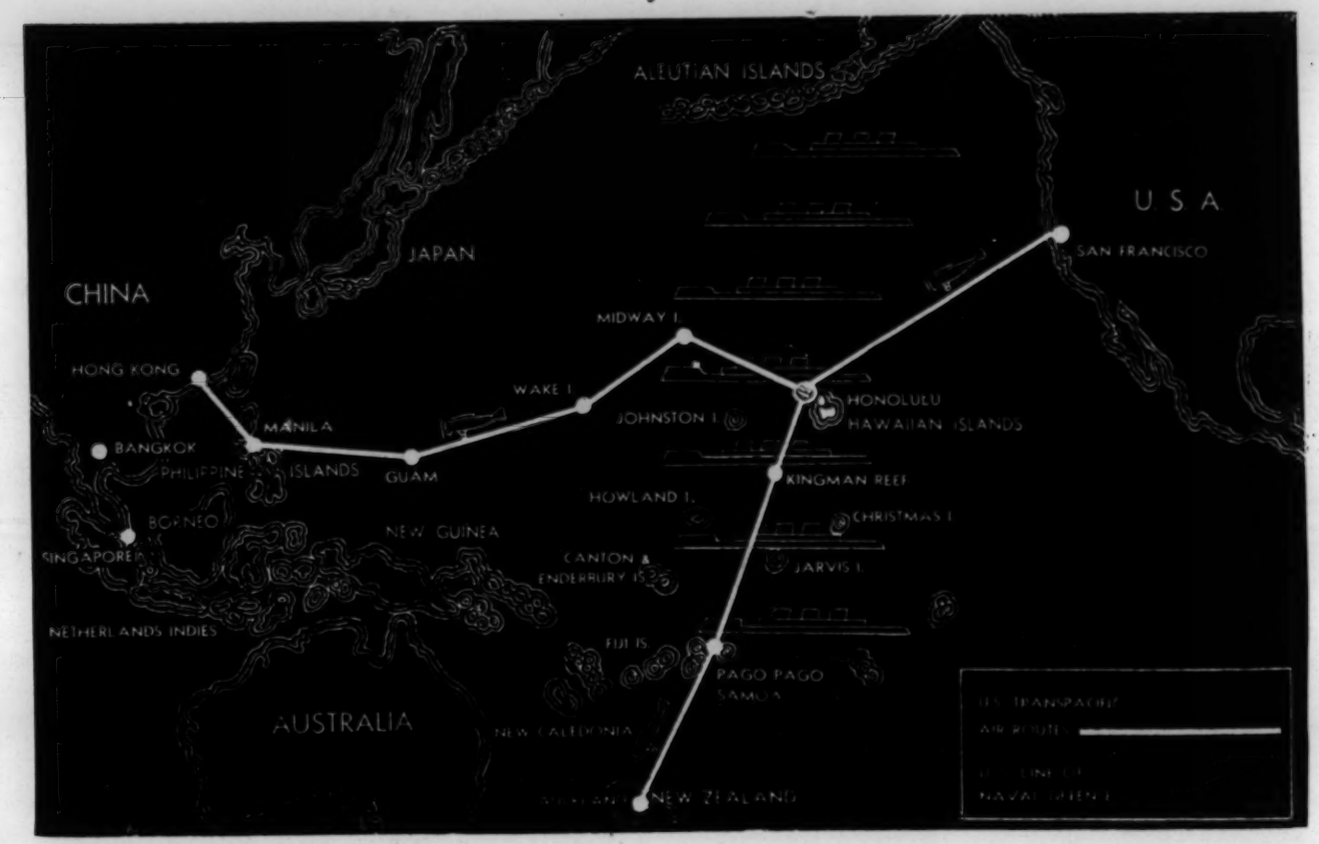
By the time you receive these notes, it may be said with certainty that America will be concentrating on further programs to strengthen her mighty military and naval defenses in the Western Hemisphere and will be well on her way to full prepareness for the settlement of certain annoyances in the far Pacific.

Tokyo, of course, will be interested.

Called to your attention is the statement made by high naval officials in Washington on September 2, in which they emphasized that the Pacific Ocean will continue to be the main theater of United States naval strategy, with Pearl Harbor in Hawaii remaining the chief nerve center for operating plans. They noted the importance of the Pacific in the naval defense of the United States and its predominate position for the future despite the formation of the Atlantic squadron, the widespread maneuvers off the east coast and the dispatch of warships to the Atlantic this week.

They said, Mr. Moto, that the Atlantic squadron might only be a temporary arrangement. In no event does America contemplate withdrawing the bulk of her naval power from the Pacific on a permanent basis. There has been no change in the United States basic naval policy, they said, but the Atlantic maneuvers were considered necessary to train officers and enlisted men under all possible circumstances and to maintain the fleet in readiness. Your observer has heard that this naval move was a direct outgrowth of President Roosevelt's declaration of naval policy to the last Congress in which he pledged a fleet strong enough to defend both coasts.

AMERICAN FRONT AGAINST JAPANESE-FOSTERED ANARCHY



Asia Magazine for August

According to an article in August *Asia* by Stephen Raushenbush, dealing chiefly with the Philippines, the United States will oppose any violent change in Asia regardless whether or not American interests are directly or seriously involved. . - . Japan reached its economic and political peak in 1935 and since has been going downhill dragging large sections of the world with it. . . . The strengthening of the Russian Army in the East, the rearmament of Great Britain, incluking Singapore, of the United States, France and even the Netherlands. . . . indicate the relative drop of Japan. The map of the Pacific shows present American airlanes and the U. S. Naval line of defense.

A Washington spy reports that the Atlantic concentration is the fulfillment of the American government's desire to show the stars and stripes along the coasts of Latin America at a time when "certain European nations, notably Germany, are preparing to increase their propagada and influence in the American continent."

So, you can tell Tokyo not to get their wind up over this particular maneuver.

Some "Protection," eh?

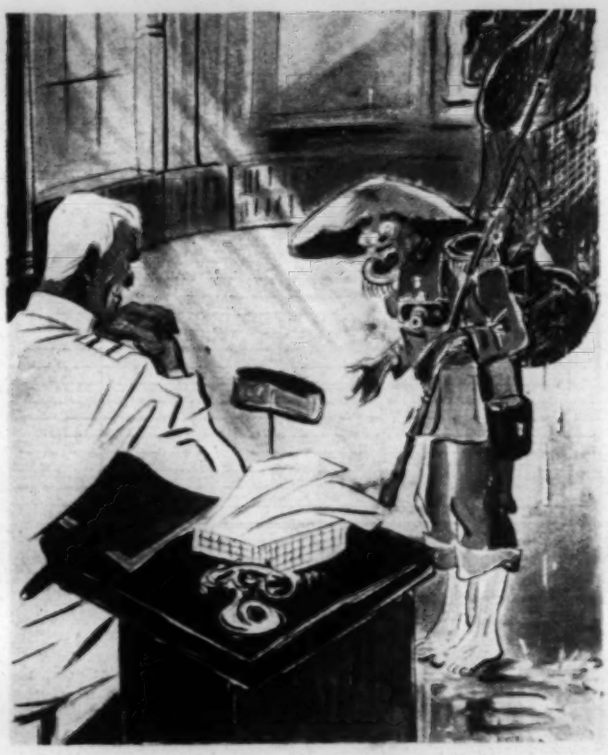
Speaking of warships, an undercover agent in Washington whispers that Rear-Admiral William D. Leahy, chief of Naval Operations, said that the naval budget already U.S. $1,250,000,000, will be increased by U.S. $200,000,000. All of which means bigger and better ships, with bigger and better guns. Some "protection" against Japanese "fishing" vessels operating

along the West Coast, eh, Mr. Moto!

And write this down in your little black book: U.S. Naval authorities already have preparations under way for development of strong navy bases in the Pacific west of Hawaii. They're working on harbor developments at Midway and Wake Islands, strategic links in the present trans-Pacific aviation routes which some observers believe will form key-points in a new American defense line linking Hawaii with the Philippines. Also note, please: the navy is proceeding with plans for the purchase of the tiny Palmyra Islands, 1000 miles south of Honolulu, which was authorized in an obscure U.S. $25,000 item in a bill passed by Congress during the last session.

The islands will serve as the beginning of a ring of islands to be purchased or occupied by the United States as observation posts to assist in the defense of the Hawaiian base.

HONORABLE FISHERMAN!



Ken Magazine, Chicago.

Japanese Admiral: "Very cruel of honorable American Navy not permitting poor Japanese fisherman honorable living."

They've been sort of pepping things up down in Panama, too, Mr. Moto. You recall that your agents have been pretty busy down that way in the last 10 years or so. President Roosevelt, after he returned from a fishing (and not fishing *a la* Japanese) trip, he reported that the defenses had shown vast improvement in the last three years. He said there are more planes, troops and anti-aircraft gun batteries which "make it reasonably certain that if war should come we could maintain a link between the Atlantic and Pacific oceans." When the President spoke in a Maryland city on September 4, he warned the United States to prepare for war.

This is not a "Fish Story"

This information also is passed along in the hope that it won't create a panic in your fishing industry: The U.S. government on August 27 issued seizure warrants for 25 alien-owned (Japanese, neh?) fishing boats valued at U.S.$500,000. Information on this sad happening you can pass along to your Italian and Nazis confederates in addition to the intelligence department of your Foreign Office.

You can tell your spies for Mussolini and Hitler that this is the American idea of a purge. Good joke, eh, Mr. Moto?

American officials alleged that numerous Japanese fishing boats were spy centers and that Japanese fishermen were engaged in widespread espionage work along the West Coast where the Battle Fleet is concentrated. You want to send the word around on this, too: U.S. Attorney Benjamin Harrison said that the government was determined to wipe out the alien "fishing racket" and that 75 more seizure warrants would be issued soon." This makes it tough, but perhaps you can figure out some other way for peeking—like disguising yourselves as turtles and crawling along the beaches.

While we're still on the subject of things naval, you might be interested in a happy little thought expressed by some American high naval authorities who can be excused on the grounds that perhaps they know no better.

They said that Japan under-estimated China's strength and determined resistance in the Far Eastern "Incident"(!) and tried to accomplish too much in one swift stroke without adequate preparation. However, they claim that whatever success Japan can point to in this invasion of the Asiatic Continent, she owes it to the fact that China had no means at her disposal to prevent a mass movement of warships along her coast, thus allowing Japan to land troops at will and hamper Chinese imports of essential products.

Not Exactly Rose-Colored

And before we forget it, jot down these salient points of the reported naval policy of the United States:

(1) **The navy shall be the strongest in the world.**
(2) **The United States Navy shall be enabled to conduct war both in the Atlantic and the Pacific at the same time.**
(3) **The fleet shall be run on a wartime basis rather than on a peacetime basis.**
(4) **Fighting shall be the first principle.**
(5) **The action radius of all units shall be increased.**
(6) **Officers and men shall receive thorough training in order to maintain fleets and expeditionary forces.**
(7) **Civilian fliers for wartime service shall be encouraged**

That's a man-sized order, isn't it, Mr. Moto? But one of your spies already has told me that what the U.S. Navy aims at is transoceanic operation to Far Eastern waters, with Japan as the ultimate objective, precisely as America's big navy advocates have repeatedly declared and clearly indicated by large scale equipment.

This spy also parted with the information that Japan clearly sees that the U.S. Navy aims at Japan, and this is deduced by her fleet disposition and the grand maneuvers plan. He said that during the 17 years after the reorganization of the U.S. fleet, not a single sham battle has been staged in the Atlantic; the maneuvers area included the Atlantic and the Panama Canal on four occasions and the Panama region on 11 others. In contrast, the Pacific saw the grand American naval maneuvers on a dozen occasions.

Not very cheering, is it, Mr. Moto?

Air Bases Doing Nicely

By the way, there is some talk in navy circles as to whether a permanent naval base should be built in the Philippines after the islands become independent, or whether to fortify or increase the naval facilities in Guam and Samoa. They're wondering, too, whether to make Alaska a separate naval district in view of increasing the fleet there.

And the War Department is doing some study on the subject. They've tentatively drawn plans for the establishment of powerful military and naval air bases in the Philippines. These air bases, to be the strongest and modern ones in the world, would be built if the independence of the Philippines were postponed beyond 1946. A Washington spy said that some senior members of the State Department had objected to the plans on the grounds that Japan might interpret them as a direct threat to her safety.

You would be the first to say, Mr. Moto, that Japan was above such petty remarks.

Speaking of air bases, work is going along nicely on that one in Fairbanks, Alaska, which is costing U.S.$1,500,000. Within a few days, or weeks, the high military command in the United States will ask President Roosevelt for his support in passing through Congress during the next session a bill granting credits necessary for the construction of another strategic air base in Alaska.

And say, did you make a note on the doings in Los Angeles on August 20? The War Department described it as the largest concentration of modern airplanes in American history. All three divisions of the General Headquarters Air Force—300 machines—while the majority of the naval air arm hovered nearby when the American Legion held its convention.

Authorities disclaimed any international motive for this unusual display. They just let it be understood that it was a part of the government's general campaign to impress the nation with the need for being prepared.

Laugh This Off

This will give you a laugh, Mr. Moto. The *Berliner Tageblatt* whacked down on Mr. Roosevelt for his Kingston speech in which he said America would defend Canada from attacks by any empire (Japan). The *Tageblatt* said: "We would be pleased if in America they would play the role of schoolmaster in their own homes and address remarks regarding moral politics to their own country."

Well, that's about the grist of melancholy facts for you, Mr. Moto, except someone told me Japan has perfected a substitute for *sukiyaki*. They're using a pound of Mr. Hull's protests on treaty violations, flavored with a pinch of Sir John Simon's bitter-sweet indignation notes.

Some joke, *neh*, Mr. Moto?

China's Fight On Opium

BY C. Y. W. MENG

WHEN one speaks of war in China, the obvious, of course, is deduced—China's struggle against the invading armies of Japan. The fact is, however, the Chinese are fighting another war at the same time—the "war against opium."

Ninety nine years ago on June 3, Commissioner Lin Tse-hsu burned and destroyed no less than 20,000 boxes of opium in Canton in an attempt to suppress the evil in China, thus starting China's "first" war with one European country. In 1935, the National Government launched a nation-wide Anti-Opium Campaign to eradicate the opium curse in six years. Since then, June 3 has become one of the memorial days in the annals of the Chinese history. Elaborate programs in memory of this occasion, are usually prepared many days ahead.

This year, observance of the day was held in Chungking, now the temporary seat of the National Government. This time, the occasion was made far more significant. The slogans on the wall were also materially different from those of before. The most common ones read: "When we suppress opium, we must not forget our war of resistance against Japan", and "When we resist the Japanese aggression, we must not forget our campaign against the opium evil". Opium is one of the deadly weapons which Japan uses and is still using to mow down Chinese resistance.

Madame Chiang Kai-shek said in September, 1937:

"The crime that has been, and is again being perpetrated against China is a ghastly one. Nor did the present invasion come without a warning. For years, the world know well it has been in course of preparation, and the insidious and dastardly nature of some of the steps taken to make the rape of China easy and effective has been reported to Geneva and has been reported in the press.

"Just contemplate the terrible and loathsome efforts of Japanese and their agents to drench a land with opium and narcotics with the primary object of so demoralizing the people that they would be physically unfit to defend their country, and mentally and morally so depraved that they could easily be bought and bribed with drugs to act as spies when the time came in order that their craving might be satisfied.

"The Japanese worked with diabolical cunning in this direction, and we find spies in various parts of the country doing the bidding of their drug-providing masters. They have them around, and on the routes to air fields giving signals with lights and by other means to enable the bombing planes of Japan to come with their loads of death and destruction and spread them broadcast. And we have them in higher places in North China traitorously acting as "puppets" so that the Japanese can claim that "the will of the people" demands this and that region to be autonomous.

"If ever humanity was confronted with a horrible crime it now has one to contemplate, and when the so-called 'free citizens' are assembled by the Japanese to parade in alleged support of their schemes, the world witnesses not a procession of men but a parade of drug-stepped unfortunates who know not what they are doing. But Geneva knows the tragically sordid story and so do the Governments of all countries. All they know what has followed, and what has led step by step, to all the killing and suffering now going on. So what is left for me to tell the women of the world."

Evil Follows Japan

Thus, it will be seen that Japan is leading in these illegal opium activities in China, particularly in the narcotic drugs. It must be, however, pointed out that the situation must be far more serious when we take into consideration the opium smoking, opium traffic and opium cultivation in the Chinese territories now under the Japanese military occupation. Therefore, as the Chinese point out, in fighting a war with the invaders, "we want not only to recover our lost territories but also to wipe out this *very* evil!"

There is certainly much truth in what the Chinese have said. That after the occupation by the invaders, Peiping and Tientsin —being the cultural and educational centers of China—have now become the opium-smoking and opium traffic, senter needs no further citation. The Japanese consulate in Tientsin is generally known as the center of these illegal activities.

It may be recalled that sometime in May, 1937, the Honan-Anhwei Pacification Headquarters discovered that the Japanese Consulate in Chengchow (Honan Province), a strategical center at the junction of the Lan-Hai and Pei-Han Railways, was found to be a center of Japanese illegal activities, including opium traffic, espionage and many other subversive activites of the so-called Special Service section of the Japanese Army. Evidences so far produced by the Chinese authorities substantiated these facts.

Later it was further discovered that the real situation was the Japanese "plan" to encourage opium smoking, opium selling and opium cultivation in Peiping and Tientsin and in Eastern Hopei where another Japanese "puppet regime" was established. But the Japanese Army, according to the then current report, was not satisfied with the situation. So they engaged in narcotic activities in the Province of Honan, with Consulate in Chenghcow as their center of operation for the sole purpose of *demoralizing the Chinese in Central China.*

These illegal activities were indulged in, of course, not secretly, not by one or two members of the consulate, but by the consular officials, army officers and other army-affiliates with definite instructions from the war Office in Tokyo.

NATIONALITIES	YEAR	RAW OPIUM				NARCOTIC DRUGS								
		OPIUM	REFINED OPIUM	OPIUM ASH	OPIUM INSTRUMENTS	HEROIN	WHITE POWDER	MORPHINE	COCAINE	KINGTAN (PILLS)	POISONOUS PILLS	POISONOUS DRUGS	RAW MATERIALS FOR MANUF. OF DRUGS	UTENSILS
KOREA	1934	26.976				6.152	7.079	0.158	0.625	0.012			0.768	
	1935					15.294	0.634						0.178	
	1936		0.022	0.003		3.052						0.827		5
	1937	5.000				9.129	0.124				0.750			
JAPAN	1934					0.025	0.219	0.025						
	1935					11.886			2.722					
	1936	7.169	0.313		33	2.247	0.937					5.537		
	1937	54.500				9.812						71.000		
FRANCE	1934	257.344				11.375	53.656							
	1935													
	1936													
	1937													
USSR	1934													
	1935													
	1936										87.000			
	1937										9.750			
TOTAL	1934	284.320				17.552	60.954	0.183	0.625				0.768	
	1935					27.108	0.634		2.722				0.178	5
	1936	7.169	0.335	0.003	33	5.299	0.937				87.000	6.364		
	1937	5.000				18.941	0.124				10.500	71.000		

The above table shows the quantities of opium smuggled into China, manufactured in China, and sold in China by foreign nationals. These discoveries were made by Chinese officials in various provinces and municipalities. China's Ministry of Interior released the above statistics.

Organ Changed But Policy Unchanged

Formerly Generalissimo Chiang Kai-shek was concurrently the Chief of the Opium Suppression Committee which was attached to the Military Affairs Commission. But since the outbreak of the Sino-Japanese war, the same organ underwent a re-organization, and it now belongs to the Ministry of Interior. But the authorities made it sufficiently clear that there is no change in the policy to suppress opium under the six-year Opium Suppression Program. The following table (released by the Ministry of Interior dated May, 1938) shows the progress made in the suppression of the "poppy cultivation" in the country, which has been a far more serious problem:

I. Under Absolute Suppression (16 Provinces)

(1) Original Schedule
(2) Ahead of Schedule
(3) Postponement
(4) Reasons
(5) Progress Made to Date

Shensi:

(1) 3 stages: Winter of 1933 to winter of 1937.

(5) Suppression has been completed per schedule.

Kansu :

(1) 5 periods : Winter of 1934 to winter of 1938.
(2) By special order, 11 remaining Hsien (Wuwei, etc.) must complete suppression by Jan., 1938.
(4) Poppy must be substituted by crop cultivation in order to increase food supply at the present crisis.
(5) Suppression has been completed ahead of schedule.

Ninghsia :

(1) 2-Year Plan : Fall of 1935 to 1937 ; later changed to end of 1938.
(2) By special order, the original schedule has been readopted.
(4) Poppy must be substituted by crop cultivation in order to increase food supply at the present crisis.
(5) Suppression has been completed ahead of schedule.

Szechuen :

(1) 4-Year Plan : 1936-1939.
(5) Only 2 Hsien (Hsiunhan & Fengtu) are still allowed to cultivate poppy ; Hsiunhan to be placed under suppression in 1938 and Fengtu in 1939, as indicated by schedule.

Suiyuan :

(1) 4-Year Plan : From 1935, each of 17 poppy-growing Hsien (Kweisui, etc.) to be divided into 5 districts and one districts to be eliminated each year until 1939.
(2) By special order, Hoyuan and Linho among the 17 Hsien must complete suppression by Jan., 1938.
(4) Poppy must be substituted by crop cultivation in order to increase food supply.
(5) Only 2 districts of each 15 remaining Hsien are still allowed to cultivate poppy, subject to complete suppression by 1939 as indicated by schedule.

Yunnan :

(1) 3-Year Plan : 1935-1937.
(3) On special grounds, suppression in 18 Hsien (Chengkang, etc.) has been granted postponement for 2 years.
(4) Postponement for these 18 Hsien because :
a. of their location in the national frontiers where the boundary line has not yet been settled, and
b. of their aboriginal tribes who are difficult to rule in matters of poppy suppression.
(5) Except these 18 Hsien under special permission to postpone suppression for 2 years, the province has completed suppression according to schedule.

Kweichow :

(1) 5-Year Plan : 1935-1939.
(2) By special order, suppression in 5 Hsien (Lotien etc.) originally scheduled in 1938 and in another 12 Hsien (Puting, etc.) originally scheduled in 1939 must be enforced one year ahead of schedule to the end of 1937 and 1938 respectively.
(4) This rearrangement of schedule is :
a. for shortening the original period granted for poppy cultivation, and
b. for combining the areas of cultivation in order to faciliatte supervision.
(5) Only 22 more Hsien (Pichi, etc.) are still allowed to cultivate poppy subject to complete suppression by the end of 1938.

Thus, it will be seen that four out of seven provinces under "gradual suppression" have ceased in the poppy cultivation much ahead of the scheduled time.

But as stated before, whenever the Japanese succeed in occupying a part of the Chinese territory, their first act is to "re-introduce" the opium smoking, traffic and cultivation as powerful means to demoralize the Chinese mentally and physically. For example : the Province of Kiangsu which was the first province nearly free from opium cultivation, today, owing to its being occupied by the invaders, the Province has again become one of the "opium world." So it is undoubtedly right that China's suppression of opium and her resistance to Japan are *identical*, and that the China are using "one stone to hit two birds."

Coal Merchants Consider Help for Company

A proposal is under consideration by several members of the Shanghai Chinese Coal Merchants' Association for giving loans to the Chung Foo Company to enable the latter to continue the operation of coal mines in Anhwei and Kiangsi Provinces. The company was forced to suspend operations some time ago on account of financial difficulties. Members of the association hope that if operations are resumed by the Chung Foo Company the local coal shortage will be partially alleviated.

Automatic Telephones Installed in Hangchow

Automatic telephone service again is available in Hangchow, according to *Domei*. Since Sept. 1 more than 500 shops and residences have become subscribers to the telephone company. The monthly charge is $7 for a shop and $5 for a residence. The old telephone apparatuses in Hangchow were mostly destroyed in the hostilities. Under the supervision of the Central China Telecommunications Company, a new system was installed recently, *Domei* said.

Tientsin Still Puzzled Over Japanese Evacuation Order

FOREIGN business people in Tientsin, according to information received in Shanghai Sept. 5 by the *China Press*, are of the opinion that the mysterious orders given to Japanese residents to evacuate the foreign concessions may have been due to any of four reasons. An urgent enquiry by one of the largest American firms in Shanghai to its Tientsin Branch this week brought forth the following larconic reply :—

"Japanese may be evacuating owing to the situation in Europe, which if it developed, might demand their association with Germany in the Far East ;

"Evacuation of foreign concessions may have been ordered by the Japanese authorities in order to obtain control of currency ;

"The order may have been given through fear of further Chinese activities (in the Tientsin area ?) ;

"Finally, most logically, the order might have been given by an army officer emerging from a three days' drift among the local hostelries."

It must be greatly regretted that the author of the latter remark cannot be named, for it is, according to reactions among Shanghai business people who have branches in Tientsin, a gem of brevity in comment on the Sino-Japanese hostilities, the *China Press* said.

The American, Italian and German consular authorities there are mediating in the question of the withdrawal of Japanese residents from the British and French areas, and the feeling of anxiety and tension previously existing with regard to this matter was alleviated this week. The general belief is that a speedy settlement of the question will be reached.

Colonel Kawaguchi, Japanese military spokesman, who has arrived from Peiping, denied that an actual order had been given to evacuate the British and French concessions. He said that merely a warning had been issued regarding the possibility of Japanese residents evacuating, acting under their own initiative. Colonel Kawaguchi stressed the activities of guerillas in the vicinity of Tientsin, and renewed the charge that the concessions constituted bases for the guerillas.

Japanese in Tientsin "expect" the authorities of the British and French Concessions there to "offer" co-operation in curbing terrorism, a Tokyo Foreign Office spokesman said Sept. 5. A wave of unrest, he alleged, was now sweeping over the Japanese colony in Tientsin.

The spokesman again denied that orders to evacuate the French and British Concessions had been given to Japanese residents in Tientsin by the Japanese Consul-General, but said that this official would issue such instructions if he deemed them necessary.

In a recent interview between the Japanese acting consul-general and the French and British consuls-general, an official denial was made that a decision to order the evacuation by Japanese of the two foreign-controlled areas had been reached, the spokesman declared.

Full information on the subject was being awaited from Tientsin, the spokesman continued, pointing out that 20 cases of anti-Japanese terrorism had taken place in the North China city in one month.

Included among these activities was incendiarism which had cost the Japanese $1,000,000 in damages. The British and French Concessions, the spokesman went on, served as bases of operations for these terrorists. The Tokyo Yomiuri's correspondent in Peiping reported that Japanese authorities were deeply concerned over continued activities of red elements in the British and French Concessions, despite the fact that concession authorities had been urged to enforce strict control.

China-U.S. Trade Improves

China's favorable trade balance with the United States in July was U.S.$1,226,009 while Japan's unfavorable balance amounted to U.S.$5,344,000, the Department of Commerce has announced.

China's exports to the United States in July totalled U.S.$ 3,598,000 compared to U.S.$3,486,000 in June. Japan's July exports to America were U.S.$8,594,000 compared to U.S.$10,688,000 the previous month.

In July, China imported from the United States U.S.$2,372,000 worth of goods and Japan, U.S.$13,938,000. Each country imported roughly fifty per cent. compared to their totals for the previous July. Japan's sales in the United States were about half that of July, 1937, but China's were only one-third.

China's favorable trade balance for the seven month period ending July amount to U.S.$1,483,000 compared to Japan's unfavorable balance of U.S.$71,995,000. Hongkong shipments to the United States in July amounted to U.S.$446,000 compared to U.S.$141,000 in June. Hongkong in July imported from the United States U.S.$1,537,000 worth of goods compared to the June figure of U.S.$1,996,000 and U.S.$728,000 in July last year.

Kwantung in July exported U.S.$139,000 of goods compared to U.S.$741,666 the previous July while importing products worth U.S.$1,400,000 compared to U.S.$1,037 in June and U.S.$1,418,000 in July, 1937.

A Chinese Red Explains Communism

EVIDENCE that the youth of the world is showing more than passing interest in China's struggle against Japan is marked by numerous condemning resolutions aimed at Japan's aggression in China, passed by organizations of youths in America and other democratic nations, and by the visit to China of delegates of the World Student Conference.

This delegation has spent several months in China, touring the country, asking questions and seeking answers. The group is composed of Miss Molly Yard, American; Bernard Floud, British; Grant Lathe, Canadian; and James Klugman.

As this delegation continues its survey work in China, the World Youths Conference is holding its sessions in New York.

PICTURED EVENTS FROM CANTON

(Upper Left) The four delegates to the World Student Conference visit the bombed areas in Canton. (Upper Right) When Hongkong's governor called on Kwangtung's governor: A. P. Blunt, British consul-general in Canton; Sir Geoffry Northcote, governor of Hongkong; and General Wu Te-chen, governor of Kwangtung Province. (Lower Left) Some of the Boy Scouts and militia men under training in Canton. (Lower Right) Governor Wu entertains World Student delegates: Bernard Floud (British); Miss Molly Yard (American); Mr. Frank Lathe, (Canadian); Mr. Edward Bing Shuey-Lee, secretary of the Kwangtung Provincial Government; Governor Wu.

Among China's delegates to the conference is Miss Yang Hui-min, 14-year-old Girl Scout known as the "Joan of Arc" of China, for her defiance of death in delivering a National Flag to Shanghai's "Lone Battalion" last November.

At an interview with Mao Tse-tung, head of China's Communist Party, at Yenan, Shensi, recently, the group subjected him to a number of questions pertinent to the welfare of China, and the Red Army's role in the Sino-Japanese struggle. The following questions and answers have been translated by M. H. Hsu.

Meaning of Border Region

Question I.—What is the meaning and function of the Border Region in its relation to China?

Answer: To understand the meaning and function of the Border Region, one must understand first its nature. What is its nature? In a nutshell, the Border Region is a base of anti-Japanism.

The masses are compactly organized. They engage in all anti-Japanese activities and enjoy freedom of speech, freedom of publicity, freedom of assembly, freedom of association, no matter whether they are workers, farmers, merchants, students, intellectuals, women, children, religious, professional, and vocational persons. The Chinese Communist Party and the Border Region Government spare no efforts to foster and support the organized masses so that they may continuously develop their activities in scope and range. But one special group of people have no freedom and no activity—the traitors.

The Border Region is playing an important part in the war of resistance. Here are the reserves of the 8th Route Army and local armed units. A democratic spirit pervades all troops and all groups of people. Officers and soldiers, troops and people are on cooperative and hermonious terms. They demonstrate an invincible power against the Japanese.

Education in the Border Region aims to increase the power of resistance against Japan and to promote democracy in the country. This fact is borne out by what you have seen in the Anti-Japanese Military and Political Institute and the College of North Shensi.

The management of finance in the Border Region centers on the prosecution of the war and is based on democratic lines. For instance, the wide-spread cooperative societies and the equitably distributed farms are all directed toward improving people's livelihood and promoting anti-Japanese activities. The people are taxed reasonably and by the progressive system, but no longer suffer from the former multifarious and tyrannous taxes.

Democratic Elections

An important feature of the Border Region Government is the democratic election of its personnel of all ranks. This fact belies the belief that laborers and peasants of a low intelligent level cannot practise universal suffrage. In the Border Region, the result of fulfilling this democratic right is quite encouraging. Those who have eyes can see that public servants elected by the people perform administrative duties much more faithfully, honestly, and efficiently than officials appointed by officials, and that such a

democratic government is best suited to wartime functions. Unlike the practice in the past soviets, the present system of election entitles all citizens at and above the age of 18, whether they are laborers, peasants, women, intellectuals, students, merchants, or men of property, to vote and to be voted.

In short, the Border Region Government is coordinating the prosecution of the war and the practice of democracy. In this particular juncture of Chinese history, the one endeavor seems to be accelerating the other mutually and efficiently. Under such circumstances, men in all walks of life find opportunities to participate in various works and make the best of their abilities.

All this denotes the nature of the Border Region and distinguishes it from the rest of China. Then, you understand its meaning and function. I am inclined to think that the whole country should adopt the same duel policy: the prosecution of the war by the practice of democracy: the external victory over Japan by the internal triumph of democracy. If all the people have sufficient freedom of speech, freedom of publicity, freedom of assembly, and freedom of association, if all the military officers and soldiers live on the best of terms, if people and soldiers help each other, if education promotes democracy, if economic construction proples the resistant power of the people and ameliorates their livelihood, and if administrative organs of all grades are constructed on the basis of universal suffrage and coordinated with representative assemblies, China will surely clinch a final victory over Japan.

Question 2: What is the present function of the Chinese Communist Party in China?

Answer: The present function of the Chinese Communist Party consists in its insistance on the war of resistance, its insistence on the united front, and its insistence on "sustained warfare." These three principles constitute the fundamental policy of the Chinese Communist Party at present and the axis of all works of the Chinese communist members all over the country.

What is meant by insistence on resistance? A question still exists whether China should come to compromise with Japan or continue to resist her. The Chinese Communist Party is for fighting it out to the finish and against stopping to compromise. It will not flinch a bit from its determination to fight shoulder to shoulder with the Kuomintang, other parties, and the whole people until Chinese armies reach the Yalu River.

Power in Unity

What is meant by insistence on the united front? Our nation must be permanently united. Unity is power. To maintain unity is to stiffen resistance. But unity must be consolidated and developed. It does not begin and end with the cooperation of all parties and groups but must include all classes of the people. When all the people are definitely organized and efficiently directed, they will mobilize their active power of resistance and present a strong and vast united front against Japan.

What is meant by insistence on "sustained warfare"? Some people say that China will perish in no time and that she cannot keep resisting Japan. Others say China will win a quick victory and has no need of prolonged resistance. That defeatism and this ultra-optimism are equally wrong. China can never be conquered by Japan, we firmly believe.

Question 3: Under what conditions can China shorten the period of the prolonged war?

Answer: It depends on three conditions to shorten the period of the war of resistance.

1. The united front must be strengthened and expanded. This condition is of the first importance. The united front is the expression of national unity, and only by unity can all anti-Japanese works be accelerated. A step up the ladder of improvement is a step toward the victorious conclusion of the war.

2. The second condition is a help that comes from the Japanese people. They are already beginning to bring to an early end the Japanese war of aggression. Most of the Japanese soldiers are reluctant to fight. Many of them commit suicide, surrender, and disseminate anti-war literature. The anti-war movement in Japan is in the ascendant. The more Japanese people awaken to the injustice and cruelty of this war, the sooner will it come to an end.

3. The third condition is international support. China needs international support, whether it comes from students, peoples, or governments. The quicker it comes in an effective form, the shorter will be the period of the war. These three conditions are interlocked. If China consolidates her national unity and makes greater improvements, she will help the righteous force inside Japan to advance with rapid strides.

Question 4: What will be the principal mission of the Chinese Communist Party after the final victory of the war of resistance?

Answer: In a nutshell, the principal mission of the Chinese Communist Party after the final victory is to establish a republic founded on the principles of liberty and equality. This republic will comprise an independent, democratic government, a representative parliament, and a constitution suited to the needs of the people. In this republic, all the nationalities will be placed an an equal footing, and a harmonious relationship will be interwoven among them. In this republic, economics, agriculture, industry, and commerce will be developed by broad steps. The government and the people will share all enterprises. The 8-hour system will be introduced. The peasants will have their own lands. All taxes will be placed on the progressive system. Peaceful trade and commere will be greatly developed with foreign countries, and treaties of reciprocal interest will be enacted.

Freedom of Speech

In this republic all the people will enjoy completely freedom of speech, freedom of assembly, freedom of association, and freedom of belief Ample opportunity will be provided for the fullest development of talents and abilities. Science and culture will be raised to a higher level. Illiteracy will be wiped out of the whole country. Troops will no longer disturb the people but will be on the best of terms with them. Such a state cannot yet be called a socialist state. Such a government cannot yet be called a soviet government. Such a state and such a government will put into full play democratic principles and systems and will not persecute private property. Such will be the modern state of China.

Question 5: What do you think is the main duty of Chinese students and youth during the war of resistance? What should be the main mission of world students and youth in their support of China?

Answer: Chinese students and youth have their general duty and their special duty. As Chinese citizens, they must do what the whole people must do, that is to say, they must push the war of resistance, maintain the united front, sustain the war, overthrow Japanese imperialism, and build a new republic on the principles of liberty and equality. All this is the duty of all the Chinese people irrespective of age and vocation. On the other hand, the special duty of Chinese students and youth as such is to struggle for their own rights, for the opportunity of learning, for educational reforms.

Chinese Factories Moving Inland

Since the outbreak of the war, 220 Chinese factories representing a total capital of $40,000,000 have been removed from the coastal and river cities into the interior where a vast national programme of both wartime and post-war industrial reconstruction is being carried out, according to an estimate made by the Industrial and Mining Readjustment Commission of the Chinese Ministry of Economics.

From Shanghai, where at least 1,000 factories and 100,000 retail shops had been destroyed by the Japanese invaders, 153 factories were transferred to the inland, 126 of which passed through Wuhan before finlaly moving into their respective destinations assigned to them by the Readjustment Commission. Of the $40,000,000 capital concerned in this industrial movement, $20,000,000, belonged to the textile industry, whose capitalization, labor force, output and use of power formerly constituted between one-third and two-thirds of the total figures for all Chinese factories.

Heavy industries represented about 50 percent of the factories shifted into the interior: while the textile industry represented 15 percent; chemical industry and food manufacturing each comprised 10 percent with miscellaneous industries absorbing the remaining 15 percent.

The Industrial and Mining Readjustment Commission, in encouraging the wholesale removal of factories, has either directly or indirectly financed the various manufacturers to the extent of over $10,000,00. It is estimated that the special loans granted by the National Government to certain industries have even exceeded the amount financed by the Readjustment commission.

"Like the moving of culture from the seacoast into the heart of China, the transplanting of the nation's industrial resources from the congested Shanghai-Wusih sector into the vast interior is certain to bring telling effects in molding a future modern China," said a high official of the Commission, who is confident that China can be self-sufficient in many important manufactures at the end of three years.

It was not until recently that a number of factories, including cotton mills, tobacco and match manufacturing plants, were closed down in the tri-city of Wuhan in accordance with the nation's plan of shifting the productive efforts into areas safer and more lucrative for the permanent development of industries. Due to the urgent demands, the five flour mills in Wuhan are still operating day and night, daily turning out 100,000 bags (each of 49 lbs.) of flour for both military and civilian consumption.

The war has not only occasioned the rise of many wartime industries, but has also greatly encouraged handicraft enterprises in the hitherto little developed interior. Technical improvement has been particularly concentrated upon so that economy in the wholesale production of goods can be achieved. Science is already taking an important part in the manufacturing of paper, leather, lacquer, chemicals and oil refining. The Government has further ordered large quantities of metals from abroad for the home manufacturing of tools and parts of machines which had hitherto depended so much upon importation.

Meanwhile the Ministry of Economics is closely cooperating with the Natural Resources Commission, the Farm Credit Bureau and all other inter-related government offices to exploit the vast potentialities in the heart of Old China. The Industrial and Mining Readjustment Commission, which has $10,000,000 as its working capital, has sent out hundreds of skilled workers for disassembling and assembling machines for the industrialists so that property damages could be reduced to a minimum in the course of removal to points hundreds of miles distant. Furthermore, all skilled workers from the occupied areas have been urged to go to the interior where their services are vital to the nationa's huge industrial development scheme.

Japanese Emperor Meets Tense Situation With New Poem

Tokyo, Sept. 6—(Domei)—Into the stately halls of the Imperial Palace—referred to by respectful subjects as "that which lies beyond nine layers of clouds"—yesterday crept the nation-wide consciousness of the grave situation facing Japan, Imperial Household officials revealed today.

At the monthly regular poetry contest held at the Palace, the Emperor chose "Protracted Hostilities" as the subject for his poem, while Princess of the Blood composed poems with "Technical Industry" as their theme.

Europe Tension Increases as Sudetens Reject Czech Offers

As this page of the *China Weekly Review* headed for the press, reports from Europe said the situation had taken a turn for the worse, with the rejection of Czech Government concessions by the Sudetens, and the arrest of number of Sudetens by Czech police.

WHERE last week war in Europe appeared almost inevitable, the situation this week was eased considerably when the Czechoslovakian government voted to make new concession to satisfy the Sudeten claims on the basis of the eight demands of Konrad Henlein, leader of the Sudeten Germans. Observers agreed, reported *Reuters*, that the new moves by the Czech cabinet was the nation's contribution to European peace and were offered at a heavy sacrifice. They are expected to satisfy, almost completely, Sudeten demands.

Apparently, the Czech Government decided that measures to facilitate negotiations must be taken before the Nuremberg Conference gets under way. It was understood that there was complete unanimity among the Ministers on the basis of the new proposals, and that the proceedings were most harmonious.

A communique issued at the conclusion of the meeting announced that the Ministers had drawn up a definitive plan which would be submitted without delay to the Sudeten Party. Prior to the Czech ministerial conference the Sudeten Party, after a meeting at Eger between Herr Henlein and the Sudeten delegates who had been negotiating with the Government, issued a significant communique virtually demanding immediate satisfaction to their claims.

Herr Henlein's eight demands announced in a speech at Carlsbad on April 24, were:

1. Full equality of status between Germans and Czechs;
2. Guarantee of this equality by the recognition of the Sudeten Germans as a legal entity;
3. The determination and legal recognition of "the German regions" within Czechoslovakia;
4. Full autonomy for the Germans in these regions;
5. Legal protection for every citizen living outside the regions of his own nationality;
6. Removal of the "injustices" inflicted upon the Sudeten Germans since 1918 and reparation for them;
7. Recognition of the principle of German officials for German regions; and
8. Full liberty to profess German nationality and German political philosophy.

British Behind Czech Decision

According to well-informed circles in London the new proposals made to the Sudetens by the Czech Government were made following the advice of Mr. Basil Cochrane-Newton, the British Minister in Prague, and Viscount Runciman to grant the Sudetens maximum concessions in order to avoid the Reich claiming a plebiscite for the amalgamation of the Sudeten districts into Germany, *Havas* reported.

Mr. Cochrane-Newton urged the Czech Government to publish the new proposals as soon as the Sudeten delegates were informed of their tenor in order to demonstrate the broadness of the Czech concessions which satisfy all the Sudeten claims with the exception of the right to profess Nazi philosophy. It is understood that the British Government agreed in full to have this claim rejected since the right to profess Naziism would destroy the last barrier between the Sudetens and the Reich and would inevitably be followed by a German claim for a plebiscite.

Political quarters in London admitted that Britain took increasing responsibilities but these were already ratified by the decisions taken by the Cabinet on August 30 when it announced the principle of immediate assistance to France in the event of the enforcement of the Franco-Czech alliance. These quarters added that besides pressure upon Prague, the British Government will appeal to Berlin to make a gesture of conciliation, failing which, Germany might face the enforcement of the Franco-Czech alliance and the Anglo-French assistance system.

It is understood that Sir Nevile Henderson, the British Ambassador to Germany, will express Britain's views to the Fuehrer personally during the Nuremberg Congress but a final British warning to Berlin will be forwarded only when it is evident that previous demarches have been ignored, and if the Germans reject the plan of autonomy of the Sudeten districts within the framework of the Czech state. The direct demarche to Herr Hitler is due to the reports that Herr Joachim von Ribbentrop, the German Foreign Minister, did not communicate accurately to the Fuehrer the views recently expressed to him by Sir Nevile.

Glasgow Bulletin

Herr Hitler:- "It's such a bad advertisement for the 'Strength-Through-Joy' slogan too. Beaten in the first round. Are you sure that you are of pure Aryan blood?"

China Silver Sales to U.S. High

An article in the August 1938 issue of the *Monthly Economic Bulletin* of the National City Bank of New York contains the following interesting notes and figures on China's sales of silver to the United States:

In May, 1938, the Chinese Government sought the aid of the United States in stabilizing its bank-note currency in relation to the monetary system of the United States, by purchases of silver from China. An agreement was entered upon by which the United States Government agreed to buy an unnamed amount of silver from the Chinese Government, giving dollar credit or gold for the same. This agreement has been renewed several times, and again in July, 1938.

This silver has come to the United States from London, where it had been shipped, by way of Hongkong, last year, and delivery has been made in New York. In the first six months of 1938 these receipts of Chinese coin amounted to about 140,000,000 ounces, of the value of U.S.$63,000,000. Since November, 1937, these receipts have aggregated 190,000,000 ounces valued at U.S.$84,000,000. Total receipts of silver from China under the U.S. act of 1934 have been unofficially estimated at 300,000,000 ounces.

Although full information as to the proceeds of these purchases has not been made public, it is believed that aside from gold that has been earmarked, China's receipts have been expended or retained in the form of bank deposits. Although these cash sales of Chinese coin in the United States began more than two years before the outbreak of the undeclared war with Japan, and have no relation to the war, they evidently have supplied the Chinese Government with a substantial fund available for expenditures abroad.

Court Convicts 'Yellow Way' Terrorists

San Lien-hsiang, alias Siao Koo-hsing, professional killer and confessed member of a pro-Japanese terrorist gang, must pay the extreme penalty for his part in the slaying of a young Chinese blacksmith named Dai Yoong. The terrorist was sentenced to death by the First Special District Court Sept. 3. It was the first death penalty handed down by that tribunal to a man definitely known to have been in the employ of the Hwang Tao Hui (Yellow Way Society), a pro-Japanese organization operating from headquarters in the New Asia Hotel.

San was tried and found guilty of participating in the killing of the blacksmith, a crime committed in a Chinese Y.M.C.A. social center hut, 4200 Robison Road, on the night of July 17. The weapon used in the murder was one of 27 pistols sold by the Shanghai Municipal Police to the Special Service Section of the Japanese Army. The number of the weapon had been filed off after it was sold by the police but arms experts at S.M.P. headquarters submitting it to routine tests, were able to identify it as the death gun.

San was not the only pro-Japanese terrorist to receive special attention from the First Special District Court. Four others, convicted of taking part in and plotting terroristic activities in the International Settlement, drew prison terms ranging from three to 10 years.

Yang Zung-yien, professional terrorist, was given 10 years, for offenses against public order and the illegal possession of firearms. He was implicated in the bombing of the China Travel Service on Szechuen Road on the night of June 12. Zung Siao-mau also was sentenced to spend 10 years behind bars for taking part in the bombing of the Hwa Tung Radio Station on Ningpo Road, a crime also committed on the night of June 12.

Eight years imprisonment was the punishment meted out to Tseu Nyoh-vung, convicted of taking part in the bombing of the radio station XMHC on Avenue Road, another of the June 12 bombings. Radio station XMHA hwas bombed on the same night and the men convicted also were believed to have had a hand in that affair.

Wong Chi-ching, alias Wong Yen-nyoen, received the lightest sentence of the lot convicted yesterday. He drew three years. The reason for this was the fact that the police could not connect him with an actual bombing. He was found guilty, however, of conducting an investigation of the premises of a foreign radio station on Route Prosper Paris on behalf of the Hwang Tao Hui Society. The society, he told the court, had planned to bomb the station but the bombing never materialized.

New Recruits for the Red Cross

Representing the answer to an appeal for recruits for the Chinese Red Cross field ambulance units, 200 youths selected from over 500 applicants left Hankow at the end of August for Changsha, capital of Hunan Province, where they will be given one month's training in first-aid preparatory to being sent to various fronts to help in the evacuation of wounded soldiers from the fighting lines to the field hospitals.

The recruitment of new members to strengthen the ranks in the ambulance units of the Chinese Red Cross is now in the charge of Dr. Paul Moe, a well-known medical practitioner from North China, who heads a sub-division of medical workers in Hankow. Those ambulance units represent part of the scope of the Chinese Red Cross, whose director is Dr. Robert S. Lim, formerly of Peking Union Medical College, of Peiping, with headquarters at Changsha.

The majority of these now recruits are natives of the Wuhan area, while some are refugees from districts that have fallen into Japanese hands. They are all educated and physically fit men between the ages of 18 and 30. All are ready to face strenuous and dangerous times while working near the front lines.

While in Changsha, they will be given training under the direction of Dr. Lim. As they will not be required to perform surgical or curative work, they will therefore be given only training in first-aid, public health, and general nursing. Additionally, they will be given military training to enable a fuller cooperation with the military forces. In the field they will be divided into small ambulance units of from 15 to 20 persons each.

The need for more men in the medical relief service in various fighting fronts in China has been emphatically stressed by Dr. Paul Moe. He said that the Chinese Red Cross had received numerous appeals from different army units and from other quarters, for volunteer doctors and nurses. But on account of the lack of personnel and the insufficiency of medical supplies, Dr. Moe regretted that many of these requests could not be fulfilled.

Twelve hundred doctors, nurses and dressers, comprising 58 mobile units have already been sent into the war areas by the Chinese Red Cross . Recently, six ambulance units have been sent from Changsha to the battle fronts along both banks of the Yangtze River. Two more new units are on their way to the northern front in the Peiping-Hankow railway area.

Hu Shih—New Ambassador to U.S.?

The National Government has decided to appoint Dr. Hu Shih, well-known Chinese scholar and philosopher, as Ambassador to Washington, in succession to Dr. C. T. Wang, who will be recalled, according to a *Kuo Min* report.

Dr. Hu Shih

A graduate of Cornell and Columbia Universities, Dr. Hu is also widely known in the United States. Shortly upon the outbreak of the present Sino-Japanese hostilities last year, Dr. Hu was sent to America by the Chinese Government on a lecture tour to explain China's case to the American public. After staying in the United States for about ten months, during which he traveled about in the country and delivered numerous lectures on the Sino-Japanese hostilities, Dr. Hu recently arrived at London on a similar mission.

Dr. Hu has been prominently identified with China's educational and cultural activities. As the forerunner in the use of the *Pei Hua* or spoken language, author and professor at the National Peking University, Dr. Hu commands a large following in China. Prior to the outbreak of the present hostilities, he was dean of the School of Literature of the Peking University. Dr. Hu was recently made a member of the People's Political Council at Hankow, which is destined to become China's first parliament after the conclusion of the present war.

U.S. Accused of Violating Spirit of Washington Treaty

Diplomatic observers close to official Tokyo quarters on Sept. 6 accused America of violating the spirit of the Washington Treaty in connection with American interests in the China National Aviation Corporation.

At the same time the diplomatic observers conceded grounds for the American contention that American interests suffered a loss because an American company is a shareholder in the C.N.A.C., owner of the Douglas plane forced down after a chase by Japanese naval planes near Macao Aug. 24, as pointed out by the United States Government in a note to the Japanese Government Aug. 26.

The diplomatic observers pointed out that the China National Aviation Corporation is capitalized at $10,000,000, of which a big percentage of the stock is owned by American interests, "so that actually the American concern entirely controls the corporation, which virtually is an extension of the Pan-American Airways."

Although the C.N.A.C. was established as a Chinese concern in 1929, they stated, all matters relating to the transportation and carriage of mails was handed over to the American corporation, "which retained its Chinese name but whose management always has been American and whose operation has been in charge of Americans."

"In other words," the observers declared, "though the C.N.A.C. ostensibly has been a joint enterprise its means of securing for Pan-American Airways an air route monopoly is against the treaty spirit. America always has been an advocate of the Open Door in China but this fact shows that she has not abided by the spirit of the Washington Treaty."

Hongkew Monopolies Worry Japanese Officials

Commodity price vagaries in Hongkew, with attendant suspicions of profiteering, may lead Japanese officials in Shanghai to revise consular regulations in order to enforce better control over such dishonest practices, the *Shanghai Nippo* reported this week. Simultaneously, the Japanese daily said, in order to break the monopolistic hold of Japanese dealers in Hongkew, stalls in Hongkew Market will be hereafter allotted of a 50-50 basis to Chinese and Japanese.

Citing examples, the daily reported, that a 10 percent difference existed between cigarette prices on Woosung Road and at the Shanghai Co-operative Society on N. Szechuen Road. On the other hand, dumping of goods was also taking place. Watches and cosmetics were listed among those goods suffering the worst price vagaries, with differences as large as 50 percent on Woosung Road itself.

Prices at the markets and co-operative societies, which the daily remarked, are institutions of a more or less public character, were also erratic.

Vocational Rehabilitation for the Disabled

BY W. K. LOO

IN the early dawn of history the physical deformed were in the eyes of their fellow brethren a class condemned by God and therefore unfit to live. They were treated as human parasites and were to be abandoned or killed. Even not so very long ago, they were looked upon as social outcasts, and by reason of the public attitude of intolerance toward them, they were compelled to become paupers.

With the introduction of machinery, adaptation of the factory system, and speeding up of transportation, human beings are constantly subject to industrial accidents and thereby being permanently disabled . The government authorities in various countries therefore offer protection to workers by means of legislation such as workmen compensation acts etc. whereby the worker is entitled to compensation for injury sustained in employment.

Experience has proven that even pecuniary benefits granted to injured workmen are far from sufficient to ameliorate their conditions or to lessen the effect of their physical disabilities. Compensations given them are on the whole inadequate to support them and their families for the rest of their lives ; and it is discovered that having been barred from their former occupations, few disabled persons are able to adjust themselves to new vocations. It becomes clear that apart from compensation, they must also be rendered fit for work. It is a matter of public interest rather than a matter of philanthropy. The State therefore should bear the responsibility of providing a program for vocational rehabilitation of the disabled.

The problem of rehabilitation called for world-wide attention as a result of the World War which left behind an alarming number of disabled soldiers. Many of them were able to achieve a high degree of self-rehabilitation and demonstrated their ability to undertake many kinds of work. The painstaking efforts and accomplishments out of their own accord lent light to a constructive attitude of the society toward the disabled persons.

Fearing that man power might be exhausted, the European nations undertook to vocationally rehabilitate their disabled soldiers. The incapacitated were given training, after which they were engaged in various phases of war industry behind the lines in place of able-bodied men. A nation was thereby strengthened to a greater degree with these reserves. Moreover, it was found that with these disabled men trained for various trades and industries, the economic returns of a nation would be enhanced and industrial position bettered.

Need for Rehabilitation

In this country where exploitation of machinery is in a limited scale and therefore the danger of being disabled by industrial accidents is far less compared with other countries, the need for rehabilitation of the disabled has not been conceived. The present hostilities, unprecedented in history of China in the extent of reckless bombings of civilians and soldiers, have resulted in adding to the country huge masses of disabled persons unequalled before. This calls for serious attention in the problem of relief and rehabilitation work.

While the world is struck with horror at the indiscriminate bombings of open towns and undefended cities, a new day finds the sinister means of war mercilessly claiming their new victims—men, women, and children alike. Especially in places as Canton and Hankow, every citizen therein dreads to find the day of being killed or permanently disabled. In fact, many prefer to be killed than be a living dead.

The conception of a disabled person is obvious. By reason of the misfortune befallen him, he is unable to carry on with his former work and will equally be unable to seek employment in other vocations. These bring him discouragement and despondency and also a lowered morale. His economic status will be lost, and will be forced to accept charity or even worse to beg in order to provide for himself and his dependents.

Rehabilitation means the restoration to a former state of physical, vocational, moral, economic and social status of a disabled person thus rendering him fit for a renumerative occupation. It often follows that when a disabled person is restored to him his former physical and vocational status, his moral, economic and social status would automatically be restored in due course of time. But in many cases, it is found that the restoration of his morale is either antecedent or incidental to the physical and vocational rehabilitation.

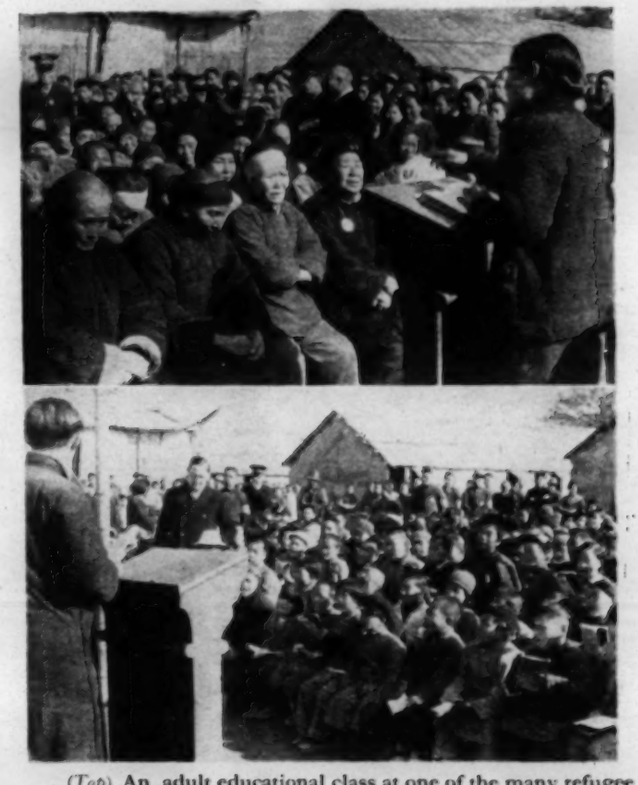
The purpose of physical restoration is to restore to the disabled person his former physical capabilities by removing his disability by means of operation, artificial appliances etc. or by training him to work in spite of his disability (e.g., reading by touch system in a school for blinds). Whenever possible, the more efficient way of removing his disability either wholly or partially by surgical or medical measures should be taken.

Where amputation is necessary, the supplying of an artificial limb is incidental to rehabilitation. In some cases, artificial limb is found to be an indispensable help. A case may be cited of a young man who was supplied with an artificial arm with which he found it helpful to clean and fire the boilers, take care of ashes, do painting and other operations. Undoubtedly an artificial limb replacing the amputated one will restore to the disabled great functional efficiency. But in other cases such is essential only for the sake of appearance or morale in order that the disabled may feel himself a normal person. In no way does the appliance increase his vocational skill or ability, and in many cases disabled persons are unwilling to inconvenience themselves with artificial appliances that lend no particular help.

Cases Treated Separately

It has generally been accepted by rehabilitation workers that vocational rehabilitation is no group work and every single case must be treated separately and requires the attention of only one

EDUCATION FOR REFUGEES



(Top) **An adult educational class at one of the many refugee camps in Shanghai.** *(Lower)* **Young refugees learning the Chinese equivalent of the "A, B, C's".**

agent. In Europe, mass work undertaken in soldiers' rehabilitation camps proved to be a failure. A quotation from Mr. R. M. Little, a well known American rehabilitation worker will serve as a guiding principle :

"The rehabilitation service is not group work, nor can it be successfully accomplished by the normal standards of school work. Physically handicapped persons do not fit well into standards for normal pupils. Experience shows that the rehabilitation of the disabled is a highly complex, specialized personal service which must take form according to the peculiar difficulties and aptitude of each person. For one, it may be assistance to secure physical reconstruction and a prosthetic appliance that he may return to his former occupation or engage in a new one. For another, it may be changing from unfavorable working conditions to a more favorable environment.

"To another, counsel and advice may be given about entering upon a business venture. Many industrial workers must be retrained in industry, other can take correspondence courses in their houses and be guided by tutors. Many can be sent to trade and technical schools for special courses, particularly the young. A small portion can be retrained in commercial schools. Every physical handicapped person presents a number of distinct problems which the rehabilitation worker must deal with sympathetically and with imagination, patience, and ingenuity. Case work methods, therefore, are fundamental to success in rehabilitation."

The main object of vocational rehabilitation is to reestablish the physically and vocationally disabled person in such normal condition as to warrant him to compete with a physically normal person in finding renumeroative occupation upon his ability rather than upon tolerance. Prompt action is required at the earliest feasible time after the disablement in order to prevent idleness that may weaken the initiative of the disabled. Due to the different degrees of physical disability, sex, age, education, capacity, and

temperament, each case requires a distinct solution. Rehabilitation work therefore calls for a great number of rehabilitation workers or "agents" through whom help, advice, and guidance are given to the disabled.

Before proceeding further with the work of a rehabilitation worker, hope is entertained that government authorities will take immediate measures to pass rehabilitation acts governing not only adequate compensation to disabled workers, pensions to disabled soldiers, but also a complete program for vocational rehabilitation of the disabled with which a uniform procedure may be adopted by case workers. In order to promote the program with success, it is necessary to acquaint the public with thorough knowledge as to the object, necessity, methods, and possibilities of rehabilitation; to secure help from individuals or institutions in finding disabled persons; to seek cooperation of those able to render rehabilitation services; and to train others for this specific line of work.

Numerous facts and statistics in various countries which have adopted the rehabilitation program prove that rehabilitated persons help to increase enormously the economic returns of a country, and that money expended for such work is indeed an investment.

Steps in Aiding Disabled

With regard to the actual work in rehabilitation, the following steps are generally employed by rehabilitation workers:

1. **Preliminary Investigation:**—
   Investigation is carried out in order to determine whether the person is eligible for and susceptible of rehabilitation service. Disabled persons are not eligible unless they are both physically disabled and vocationally handicapped and therefore unable to earn a living. If by reason of his disability, he fails to continue with his best job prior to disablement, or if he has had no previous vocational experiences, he is considered in both cases to be leigible. Old-aged or feeble-minded persons are generally not eligible. A person is not susceptible to rehabilitation if he has extreme disabilities, abnormal mentality, or fierce temperament in which cases he is not feasible to training and would therefore be futile to rehabilitate him.
2. **Counsel and Advice:**—
   There is no fast rule in regard to counsel and advice. A careful study of the life history of the applicant will help the agent to formulate a plan of offering advice to the particular person. It is more or less a trial and error method in all cases. The chief object however, is to help the applicant to appraise his own abilities, capacities, and limitations, and to have him assume his own initiative and responsibility for his own rehabilitation plan. The agent is required to avail himself of information about employment conditions and occupations; and he should do his best to gain the confidence of the disabled person. Advice should be given to the applicant as to the determination of occupation and placement.
3. **Determination of Occupation:**—
   There are a few factors that have to be considered in determining an occupation. First, the disabled person must be fit in physical, mental, and tempermental qualifications for and intended vocation. Second, time devoted in training must be reasonable so as not to incur unnecessary expenses. Third, attention should be paid by the responsible agent in regard to vocational opportunities.
   In determining the objective, if the applicant has had previous experiences in a particular vocation prior to disability, but is merely handicapped by such disability, it is best to capitalize his experiences to the greatest extent thus enabling him to return to his former job or seek similar positions. When he has never had any vocation previously, the agent may give suggestions in the best interest of the applicant as to how to decide on an occupation with due regard to above factors.
4. **Vocational Training:**—
   Vocational training is also applied differently to individual cases. To some, training either in public or private schools are found satisfactory. This refers chiefly to educational or clerical work. A man may be trained as a clerk, a salesman, or insurance agent successfully by enrolling him in a school for that particular course. To others whose occupations may be best learned by experience, training may be provided by industrial and commercial establishments where they are "trained on the job." Other occupations may be trained by tutors or correspondence courses. Because of the uncertainty of the continued interest of the trainee in a particular course of training, it is often necessary to revise a plan many times before rehabilitation is finally accomplished. Strict supervision of the trainee by the responsible person or institution is necessary in order to warrant efficiency.
5. **Placement:**—
   Placement is the ultimate object of the rehabilitation plan. The disabled person may be placed without training when he is well experienced in a particular job in which case he may need moral rehabilitation but not vocational training. In most cases, disabled persons are placed only after training. Placement of the disabled persons requires the cooperation of employers, industrial and commercial establishments. The training agencies often assume responsibility to assist in the placement of their trainees. The rehabilitation agent should make the employer feel that to give employment to the disabled person is to believe in his competency rather than a matter of charity. In some cases, the disabled one may be helped, if his financial position permits, to establish himself in business or industry as a proprietor.
6. **Follow-up:**—
   After the disabled person is placed in employment, occasional supervision and inspection visits will be necessary in order to follow him for some time so as to ascertain whether his vocational handicap has been removed, whether he is able to engage in a renumerative occupation, and whether he gives satisfaction to his employer and himself. If these are ascertained to be in the affirmative, then his vocational rehabilitation is deemed complete.

Much has been said about the rehabilitation work adopted by other countries in the relief of their disabled, it is to be hoped that more attention will be devoted by the public in the promotion of a vocational rehabilitation program for the disabled in this country without further delay.

Japanese Down Two Eurasia Planes This Week

The wrecked C.N.A.C. airplane "Kweilin" which was forced down and machine-gunned by a squadron of Japanese airplanes near Chungshan Hsien on August 24, was transported on Sept. 3 to Hongkong. Altogether 14 bodies have been recovered from the ill-fated airplane. Nine of the corpses bear machine-gun bullet wounds.

Among those killed in the attack were several well-known bankers, including Messrs. Hsu Sing-loh and Hu Pi-kiang, respectively General Manager of the National Commercial Bank and Chairman of the Board of Directors of the Bank of Communications.

Dr. H. H. Kung, President of the Executive Yuan and concurrently Minister of Finance, in a telegram to the Board of Directors of the Bank of Communications, has recommended that a special compensaiton of $100,000 be given the family of the late Mr. Hu Pi-kiang. Dr. Kung also recommended that a compensation of $50,000 be given the family of the late Mr. Hsu Sing-loh.

Eurasia Plane Makes Round Trip

A giant Eurasia airplane, carrying 7 passengers including three foreigners, arrived in Hankow September 2 from Hongkong. The airplane, carrying 16 passengers, returned to Hongkong the same day. The machine was piloted by a Chinese. Mr. D. D. Li General Manager of the Eurasia Aviation Corporation, also arrived in Hankow from Hongkong on the airplane.

None Injured

A special Eurasia plane was attacked on Sept. 5 by Japanese aircraft and was forced down on the Kwangtung-Kwangsi border. The oil tanks were punctured, but none of the seven passengers injured. were aboard the plane was D. D. Li, general manager of the company. The following day, the company suspended all services until further notice. On the same day the company announced suspension of service. Japanese admitted downing another Eurasia plane southwest of Hankow. Japanese said the machine "apparently was taken for a military craft."

By staying on the ground, Chinese commercial aircraft will "most effectively" evade mishaps resulting from encounters with Japanese naval or military airplanes," Rear-Admiral Kiyoshi Noda, director of information of the Naval Section of the Imperial General Headquarters, said in Tokyo Sept. 7.

Commenting on the machine-gunning of a Eurasia Aviation Corporation airliner en route to Yunnan from Hongkong on Monday, Rear-Admiral Noda reiterated that while Japanese military or naval aircraft would not deliberately attack Chinese civilian 'planes, the Japanese authorities could not guarantee the safety of such machines if they flew over the zones of operations of the Japanese forces. He asserted that the two recent incidents involving, one a China National Aviation Corporation machine, the other a Eurasia Aviation Corporation craft, had shown that it was difficult for fliers engaged in military operations to differentiate promptly between military and civilian aircraft.

German Exports to Far East Show Decline

German exports to the Far East during the first seven months of the current year amounted in value to 132,000,000 Reichsmarks as against 180,000,000 in the same period of the preceding year, representating a decline of 48,000,000 Reichsmarks or 27 per cent.

German imports from the Far East on the other hand increased by 20,000,000 Reichsmarks to 134,000,000 or 6 by 17 per cent. In consequence of this opposite trend between imports and exports, German trade with the Far East, instead of showing an export surplus of 67,000,000 as was the case last year, is now about balanced.

Exports to China have specially suffered, being now only about half of what they were a year ago. Exports to Hongkong likewise declined about 40 per cent. On the other hand, German exports to Japan have only suffered a small decline, being but 8 per cent. less than last year.

Outstanding Events in the Sino-Japanese War

A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th issue of The Review.

Aug. 6.—Severe fighting breaks out on north bank of Yangtsze, with Japanese launching severe attacks on Chinese positions in hills west of Huangmei, also north of Susung; Japanese troops on south bank attack Chinese positions southeast of Kiukiang. Yangtsze river flood along north bank growing worse, seriously hampering Japanese operations.

Barricade across Yangtsze near Tienchiacheng, 150 kilometers east of Hankow, subjected to severe bombing by Japanese aircraft during past 48 hours; Chinese shore batteries on both banks of the river and minefield behind the boom main objectives of attack; Japanese minesweepers advance beyond Wusueh, east Hupeh, in attempt to destroy minefield in front of the boom.

Aug. 6.—Chinese airdrome at Hankow heavily bombed by squadron of 53 Japanese planes. Two fires were started, but extinguished before much damage done. Airdrome at Sian, capital of Shensi, also raided (August 5).

Aug. 6.—Soviet air and land forces continue furious attacks on Japanese positions in Changkufeng area and in Korea. Japanese claim Soviet infantry attack repulsed. Situation said considerably aggravated following today's Soviet artillery bombardment.

Japanese Ambassador at Moscow, M. Shigemitsu, urgently instructed to carry on negotiations for peaceful settlement of incident.

Aug. 6—Gen. Chang Chun assumed (August 5) new concurrent post as Director of the Generalissimo's Provisional Headquarters at Chungking.

Aug. 6.—Dr. Chu Chia-hua, President of Chinese League of Nations Union cables to Polish League of Nations Union, advising against the intention of the Polish Government to recognize "Manchukuo."

Aug. 6.—Japanese troops and Chinese guerillas fought severe battle (August 5) east of Tungchow, 20 miles east of Peiping. Casualties on both sides unknown. Some 1,500 Japanese trained Chinese soldiers deserted and joined guerillas.

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Aug. 7.—Position of Japanese forces on Yangtsze front reported more difficult, as flood continues to spread, particularly along north bank. On south bank, two routes are open to the Japanese, one from Kiukiang along the highway to Juichang, while the other from Kiukiang along Kiukiang-Nanchang Railway. In either direction, the Japanese are expected to encounter serious difficulties, as they must break through strong Chinese defences in the hills.

Nanchang, Kiangsi capital, raided by Japanese planes, but conditions in city considerably improved, as civilian population returning. Foreign missionaries express intention of remaining despite developments.

Aug. 7.—More than 100 Soviet planes stage another mass raid on Japanese positions in Changkufeng area; North Korea Railway also bombed. Hostilities raging between Soviet and Japanese forces; prospects of peaceful settlement unfavorable.

Aug. 7.—Sir Archibald Clark Kerr, British Ambassador, returns to Shanghai from Hankow; described trip as routine visit "without any particular significance."

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Aug. 8.—Successes on both north and south banks of Yangtsze claimed by Chinese; On north bank, the Japanese said to have been forced back towards Huangmei, Susung, Taihu, and Tsienshan, while on south bank, the Chinese have repulsed the Japanese offensive. Casualties suffered by the Japanese on both banks alleged to be about 5,000. Rumored at Hankow that Japanese may be holding up their drive against Hankow for the present pending settlement of the Soviet—"Manchukuo" border incident.

Aug. 8.—Canada and the Philippines alleged to be selling war materials to Japan, according to reports received in Hankow.

Aug. 8.—Shanghai civic organizations, Chinese and foreign, send appeal to President Roosevelt, urging the United States Government to prevent the Shanghai Municipal Council from handing over young Chinese patriots to the Japanese Army for execution in violation of court agreement.

Aug. 8.—Canton subjected to severe bombing by Japanese planes after lull for several weeks. Government buildings, power station and Pearl River bridge main objectives of attack. Thirty-nine refugees killed and 50 others injured, as three bombs burst in vicinity of French Cathedral, where refugees sheltered. Cathedral narrowly escaped destruction.

Aug. 8.—Severe fighting continues in Changkufeng area between Japanese and Soviet Russian troops. Soviet planes cross Korean border and bomb Keiko. Tokyo claims Soviet attack repulsed. Moscow issues stern warning to Japan, as border clash spreads to another district near Grodekovo, 125 miles north of Changkufeng, where Japanese troops said to have attacked Soviet border guards.

Moscow communique claims Japanese troops dislodged from Soviet territory four days ago; all border posts firmly reoccupied. Tokyo denies Moscow claim of recapture of Changkufeng.

Aug. 8.—Except for a few railway cities, Suiyuan, Shansi and Hopei provinces are still in Chinese hands, declares foreign traveller arriving at Hankow after three-month tour of North China. Areas said well governed and harvets good.

Aug. 8.—Peiping population estimated at 1,552,227; number of males greatly exceeds number of females.

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Aug. 9.—Desnite repeated Japanese attacks, Chinese forces continue to hold out at Shaho, southwest of Kiukiang. Spirited resistance at Shaho said to have greatly increased morale of Chinese forces on south bank of Yangtsze. On north bank, Chinese forces counter-attacking the Japanese at Huangmei and Susung.

Arrival of large Japanese reinforcements at Hofei, central Anhwei, viewed in Hankow as indication that the Japanese are contemplating drive into northeastern Hupeh via Luan, Shanchen and Huangan, in view of difficulty which the Japanese are experiencing along north bank of Yangtsze owing to floods.

Aug. 9.—Some 102 civilians killed and 159 wounded in Canton as result of three raids over city by Japanese planes. Several other cities in Kwangtung also bombed.

Aug. 9.—General Chiang Kai-shek orders evacuation of the 500,000 civilian population of Hankow before August 15. More than 300,000 already evacuated.

Aug. 9.—Situation on Soviet-"Manchukuo" border unchanged, with Soviet artillery continuing shelling Japanese positions and Soviet planes bombing Korean towns. Marshal Bluecher, Commander-in-Chief of the Soviet Far Eastern Army, reported to have arrived at the front to direct operations.

Aug. 9.—Foreign mission properties at Chengchow, junction city of Peiping-Hankow and Lunghai Railways, suffer heavy losses running over a million, as result of Japanese airbombings, according to Dr. S. E. Avers, head of the American Southern Baptist Hospital at Chengchow.

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Aug. 10.—Japanese troops active in vicinity of Juichang, 10 miles southwest of Kiukiang. Under cover of naval and aerial bombardments, they are attempting to land on southwestern shores of the Chihu and Saihu lakes, northeast of Juichang. They are said bringing up more reinforcements and preparing for large-scale offensive.

Japanese drive on Hankow has met with such stiff resistance during the past week that their attacking strength is already spent, declares Chinese military spokesman in Hankow.

Aug. 10.—For third day in succession, Canton bombed by Japanese planes. Railways in vicinity of Canton principal targets of attack. According to official estimate, casualties in past two days total 296 killed, 399 wounded and 340 houses demolished. French authorities demanding 300,000 francs from Japanese Government for damages sustained by the Roman Catholic Cathedral during Japanese raid.

Aug. 10.—Changkufeng area reduced to ruins by Soviet artillery; Japanese losses reported heavy; Japanese Supreme War Council holds emergency meeting to discuss "Manchukuo" border situation.

Morale of Chinese army said heightened by border clashes between the Soviet Russian and Japanese troops.

Aug. 10.—League of Nations officially notified (Aug. 9) that Japanese troops using poison gas on Yangtsze front by Hoo Chi-tsai, Director of Chinese Delegation's permanent office at Geneva.

Aug. 10.—Shanghai Municipal Police and French Municipal Police as well as Foreign Defence Forces take special precautionary measures against possible terrorist outbreaks on Aug. 13, first anniversary

of Sino-Japanese hostilities in Shanghai. Cause of concern was circulation of pro-Japanese pamphlets in International Settlement.

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Aug. 11.—Japanese forces launch attack on Tatsienshan in vicinity of Shaho, southwest of Kiukiang, but are repulsed with over 1,000 casualties, according to Chinese report. Lushan (hill) still in Chinese hands. Japanese said to have landed more troops at Kiukiang from 20 large transports, apparently preparing for large-scale offensive along Kiukiang-Nanchang railway.
Ten Japanese warships reported hit and damaged in two bombings by Chinese planes.

Aug. 11.—Mass air-raid over Wuhan area staged by huge squadron of 102 Japanese planes, coming in three groups. Chinese Aviation Headquarters announced that at least 600 persons were killed or wounded during raid. Boone College, of the American Church Mission in Wuchang, damaged, when six bombs fell in compound, destroying several buildings.

Aug. 11.—Two Chinese soldiers of the "Lone Battalion" killed, 55 others injured as result of attack on members of the Battalion by the armed White Russian Unit of the Shanghai Volunteer Corps. Dispute arose over a flagpole which the "Lone Battalion" wanted to erect in compound of their concentration camp, on Singapore Road. The flagpole was forcibly removed by the Russians which resulted in a free-for-all with members of the unarmed battalion suffering numerous casualties. Four Russians also injured. The "Lone Battalion," which distinguished itself during the seige by the Japanese of the Joint Savings Godown in Chapei last November following withdrawal of the main Chinese force from Chapei, withdrew into the International Settlement at suggestion of British Defence Force authorities and has since been interned at a concentration camp on Singapore Road, International Settlement.

Aug. 11.—More than dozen incidents resulting from distribution of propaganda pamphlets, of both anti-Japanese and anti-Chinese nature, occurred in International Settlement south of Soochow creek. Police take stringent measures to prevent untoward incidents on August 13.

Aug. 11.—Nelson T. Johnson, American Ambassador to China, arrived (Aug. 10) at Chungking from Hankow.

Aug. 11.—French Ambassador at Tokyo lodged protest with Japanese Foreign Office against bombing of French mission property in Canton.

Aug. 11.—Fighting on Soviet-"Manchukuo" border between Soviet and Japanese troops ceased, as agreement for armistice reached at Moscow between Japanese Ambassador M. Shigemitsu and M. Litvinov, Soviet Foreign Commissar. Troops of both sides to retain posts held on midnight of Aug. 10, pending negotiations for diplomatic settlement. Tokyo rejoices at news truce in Changkufeng area. Soviet claims retention of Changkufeng hill, previously occupied by the Japanese.

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Aug. 12.—Severe fighting breaks out above Kiukiang, where the Japanese are trying to drive towards Juichang. Chinese aircraft unusually active during past two days, harassing Japanese troops near Kiukiang as well as bombing Japanese ships in the Yangtsze. Situation on north bank unchanged with the Chinese continuing attacks on Huangmei and Susung. Floods hinder operations of both Chinese and Japanese troops.

Aug. 12.—Wuhan area subjected to another extensive air raid by Japanese planes, resulting in over 500 casualties. Hankow again heavily bombed; Forty-five bombers, accompanied by ten pursuit craft, participated in attack. Hospitals filled with wounded.

Aug. 12.—On eve of Anniversary of Shanghai hostilities, Gen. Chiang Kai-shek issues statement to Chinese populace in Japanese occupied areas. "Chinese Government never for one minute forgets their sufferings," the message says.

Aug. 12.—Three Chinese killed, 17 wounded as four bombings occur in International Settlement of Shanghai. Japanese premises main targets of attack. Police tighten control to prevent further outbreaks.
Japanese airplane drops anti-Chiang Kai-shek leaflets in International Settlement. Anti-Chinese handbills also scattered in Settlement from motor car presumably by the Japanese. Anti-Japanese posters also seen in various parts of Settlement.

Aug. 12.—Soviet-Japan truce in Changkufeng dispute signed; Tokyo admits 300 killed and 600 wounded in border clahses. Soviet casualties estimated by Japanese at 3,000. Border commission to be appointed to demarcate disputed zone.

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Aug. 13.—Japanese advance along south bank of Yangtsze reported checked east of Juichang. Situation along Kiukiang-Nanchang Railway quiet.
Japanese warships shelled by Chinese shore batteries on north bank near Hwangshan, according to report from Kingtehcheng.

Aug. 13.—Today being first anniversary of outbreak of Sino-Japanese hostilities at Shanghai, pro-Japanese terrorists took advantage of occasion to create disturbances in International Settlement. Ten Japanese, 7 of them armed, were arrested by Foreign defence forces and Settlement Police. Of the ten Japanese, 3 were arrested by the 4th United States Marines in their defence sector; it was necessary to forcibly remove the armed Japanese from a motor car in which they attempted to escape. Four other Japanese were seized in the Italian sector; the remaining three being arrested in British sector by the Settlement police. Three pro-Japanese Chinese terrorists were also arrested. Major-Gen. A.P.D. Telfer-Smollett, Commander of British Forces in Shanghai, protests to Gen. S. Hata, Commander of the Japanese Forces, against violation of British defence sector by armed Japanese ronin.

Aug. 13.—Kuomintang flags flown throughout International Settlement and French Concession by Chinese public organizations and business concerns in observance of the first anniversary of Shanghai hostilities. Many organizations, both Chinese and foreign, observe the day as holiday but most shops closed due to fear of incidents.
Violent anti-foreign, anti-National Government and anti-Chiang Kai-shek leaflets flooded International Settlement, many were dropped by Japanese airplane from air. Later Japanese claimed plane had been "chartered" by "Reformed Government."

Aug. 13.—Friendly foreign Powers have donated some $111,000,000 to aid China's war victims; United States heads list of donors among foreign nations; British contributions come second, according to survey made by **The China Weekly Review.**

Aug. 13.—Gen. von Falkenhausen, head of the German military mission to China, arrives at Berlin.

Aug. 13.—Some $200,000 raised in two days in addition to large amount of jewlery and wedding rings in "Give Gold to the State" Campaign in Hongkong.

Aug. 13.—Hankow raided by Japanese airplanes. Airdrome bombed; two fires started; damage unknown.

Aug. 13.—**The Hsin Hua Jih Pao,** Chinese Communist organ at Hankow, suspended for one day for violation of censorship regulations.

Aug. 13.—Japanese population in Shanghai reaches 50,000; Japanese civilians at Nanking number about 1,600, according to **Shanghai Mainichi.**

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Aug. 14.—Four more incidents involving armed Japanese occurred in International Settlement. Two army officers and several members of the Japanese Special Service Section (secret police) arrested by police.

Aug. 14.—Force of some 300 Chinese guerillas seize Hungjao airdrome and hoist Kuomintang flag. Airdrome machine-gunned for 30 minutes causing "Ta Tao" police to flee.
Guerillas withdraw before arrival of Japanese troops. Incident witnessed by many foreign residents in Hungjao area.

Aug. 14.—Two more members of the **"Lone Battalion"** died as result of the attack by White Russian cossack Unit of Shanghai Volunteer Corps on Aug. 11. Claimed 100 injured. The men of the Battalion, now separated from Col. Hsia Ching-yuan and their other senior officers, continue hunger strike for the third day. Gen. Chiang Kai-shek closely watching the affair, requested Sir Archibald Clark Kerr, British Ambassador to bring about satisfactory settlement.

Aug. 14.—Fuyang, on north bank of Chientang River, northwest of Hangchow, reoccupied by Chinese, according to Hankow communique.
No important developments on Yangtsze front; the Japanese confining their efforts largely to find a weak sector in the Chinese line in order to launch major attack. Indecisive fighting in vicinity of Juichang continues; Nanchang, Kiangsi capital, raided by Japanese airplanes.

Aug. 14.—Particulars about Japanese air attacks on Canton during past week were made public. On Aug. 8, 28 airmen dropped more than 50 bombs, destroying more than 200 houses and killing and wounding about 500 persons. On Aug. 9, 48 airmen bombarded Canton, destroying 140 houses and killing and wounding 314 persons. On Aug. 11, 22 Japanese machines attacked the streets and railway. On Aug. 12, a railway bridge on Yintak-Yuantam line destroyed. Railway service between Kowloon and Hankow resumed Aug. 13.

Aug. 14.—"I consider China unbeatable by any one nation, particularly if that one nation is Japan" declared Gen. von Falkenhausen, at Berlin, where he arrived from China yesterday. Japan's advance will perhaps last as long as Tokyo can send men to the front, but he believes that the Chinese can hold out for 50 years. Time is the most terrible enemy the Japanese are facing.

Aug. 14.—Seihin Ikeda, Japan's Finance Minister, declared Japan would have to co-operate with third Powers in order to pursue long-term hostilities in China.

Aug. 15.—Chinese forces on north bank of Yangtsze claim important gain in drive on Huangmei, having advanced to point only 5 kilometers northeast of the city. On Kiukiang front, on south bank of the river, Chinese troops reported to have recaptured Shaho and Nanchangpu, 10 miles south of Kiukiang.
Chinese guerillas again attack Japanese garrison at Kiaochow, Shangtung; heavy firing audible in Tsingtao. Weihaiwei attacked Aug. 12, with the Japanese suffering some 300 casualties.

Aug. 15.—Wide-spread terrorist activities by Japanese-sponsored Huang Tao Hui (Yellow Way Society) exposed in First Special District Court in Shanghai International Settlement, by Yang Zung-yien, self-confessed pro-Japanese terrorist. He admitted participation in throwing hand-grenade at the China Travel Service Offices, Szechuan Road, on June 12. Ringleader of the Huang Tao Hui alleged to be Zang Yu-Ching, notorious ganster who helped Japanese at Shanghai 1932.

Aug. 15.—Special prayers offered in several churches in London (Aug. 14) for victims of Japanese air raids in China.

Aug. 15.—Eugene Chen, former Foreign Minister, in letter to Hongkong **Herald** (Aug. 14), emphasized that Hankow must be held against the Japanese at all costs, because it is the last foothold of Chinese Government.

Aug. 15.—Ivan Luganets-Orelsky, Soviet Ambassador to China, arrived (Aug. 14) at Hankow from Moscow. Significane seen in return of Soviet envoy.

Aug. 15.—Hankow airdrome machine-gunned by Japanese planes during raid; several bombs dropped on railway station on Peiping-Hankow Line, 22 kilometers north of Hankow. Canton also visited by Japanese aircraft; Wongsha station, Saichuen and Shekpai main objectives of attack. Deputation of London clergy called at Japanese Embassy to protest against renewed bombardment of Canton and Hankow.

Aug. 15.—Japanese Concession in Hankow formally taken over by Chinese authorities on Aug. 13 and renamed "Special Administrative District No. 4," it is confirmed by Mayor Wu Kuo-chen of Hankow.

Aug. 15.—Chinese report of recapture of Fuyang, in Chekiang, denied by Japanese military spokesman in Shanghai.

Aug. 15.—Ministry of Foreign Affairs lodged strong protest with various Powers responsible for administration of International Settlement of Shanghai against recent attack of the "White Russian" unit of the Shanghai Volunteer Corps on the "Lone Battalion," about a hundred members of which were injured and several killed.
Shanghai Chinese Bar Association also protested to Shanghai Municipal Council against unwarranted treatment accorded the "Lone Battalion" by armed Russian unit of the S.V.C. Officers and men of the "Battalion" who are still separated, broke three-day hunger-strike in protest against forcible removal of their flagpole by S.V.C. Russian unit.

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Aug. 16.—Japanese drive along Yangtsze said halted; Japanese are attempting to encircle Chinese left wing on northern bank, by an advance from Hofei (Anhwei) to northeastern Hupeh via Luan to cut Peiping-Hankow Railway. Large Japanese force concentrated at Hofei.
The Japanese also concentrating warships and transports in vicinity of Hukou and Kiukiang, preparing for major operations in Poyang Lake region.

Aug. 16.—Shanghai Municipal Council lodged vigorous protest with Japanese Consulate-General against Japanese-inspired terrorist activities on Aug. 13; many incidents cited in communique.

Aug. 16.—Eighty persons killed and 200 wounded, when 36 Japanese bombers and 20 pursuit planes raided Wuhan area; Hankow water tower chief target of attack.
Canton city, Canton-Hankow Railway and Canton-Kowloon Railway raided from early morning to one o'clock in the afternoon.

Aug. 16.—Tokyo Cabinet adopts Japan's basic policies in regard to her China campaign as formulated by the "Five-Minister Conference." Determination to crush Chiang Kai-shek administration re-affirmed. Decision also reached to place Japan on emergency footing.

Aug. 16.—Establishment of so-called "Directorate-General of Postal Affairs" by the Japanese in North China on Aug. 15 constituted violation of Washington Treaty of 1922 by Japan, according to diplomatic observes in Shanghai. Action may prompt foreign Powers to establish own postal agencies in the North; censorship in Shanghai declared illegal.

Aug. 16.—Members of China Campaign Committee in London staged (Aug. 15) demonstration in front of Japanese Embassy, urging British boycott of Japanese goods. Major Takahasi, Japanese Embassy military attache, arrested by police, when he seized and tore up handbills carried by Miss S. Jones, one of the organizes of the Committee.

Aug. 16.—Fighting their way inside Tsinan (capital of Shantung) on Aug. 13, Chinese guerillas fought a four-hour street battle the Japanese garrison before they withdrew, Casualties on both sides said totalled some 300.
Guerillas also active near Paoting, capital of Hopei; about 150 Japanese soldiers stated to have been killed during past few days. Large section of East Hopei in Chinese hands; foreign travellers report Kuomintang flag seen everywhere.

Aug. 16.—National Government promulgated (Aug. 15) "Regulations governing Punishment of Traitors," providing death penalty for persons found guilty in 14 capital offenses against the State.

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Aug. 17.—Japanese attempts to land troops above Kiukiang for drive on Juichang so far unsuccessful. The Japanese at Huangmei on north bank launched attack on Chinese positions, but were repulsed, according to Chinese report. Japanese reinforcements to Taihu area bombarded by Chinese artillery.
Fighting in southwest Shansi resumed, with the Japanese advancing toward Yellow River crossings, in attempt to threaten western section of Lunghai Railway. Invaders now engaged by Chinese troops between Lingcheng and Yungchi.

Aug. 17.—For 5th day in succession, Japanese naval aircraft bombed the Yinchanyao steel bridge of Canton-Hankow Railway in order to prevent traffic on the Line, Japanese reports reveal. Another bridge and tracks in vicinity of Yuantan also bombed.

Aug. 17.—Major-Gen. K. Doihara, so-called "Lawrence of Manchuria" and Japan's master spy, reported to have arrived at Shanghai on an unrevealed mission of intrigue.

Aug. 17.—Zang Yu-ching, head of the Japanese-sponsored terrorist organization, Huang Tao Hui (Yellow Way Society), responsible for series of bombing incidents in International Settlement south of the Soochow Creek, is wanted by the S. M. Police. Warrant for his arrest issued. Zang has long criminal record behind him, first convicted in the old Mixed Court. He was wanted by the National Government for offenses against the State.

Kwangsi Aviator Dies of Wounds

Captain Wu Lo-liu, the pride of the Kwangsi Air Squadron, is dead, according to an official message received in Canton on September 3. During the Japanese air raid on Namyung, in northern Kwangtung, on Aug. 30, when 8 Japanese airplanes were brought down by Chinese pursuit planes, Captain Wu alone shot down two Japanese planes, *Kuo Min* reported. But, during the dogfight, he himself was also wounded. Despite his wounds, he managed to return to the base safely. Owing to loss of blood however, he succumbed later to his injuries.

The late Captain Wu also was said to have distinguished himself last spring in repulsing a squadron of Japanese airplanes which sought to surround and attack an airplane in which General Chiang Kai-shek, President of the Military Affairs Commission, was proceeding from Chengchow to Hsuchow. Captain Wu was leading a squadron of Chinese pursuit planes as an escort to the Generalissimo. The Chinese pursuit 'planes routed the Japanese after a sharp engagement.

Japanese Imports Show Increase

Since the revision of the Chinese import tariff by the Japan-sponsored "Reformed Government" in favor of Japan, Japanese imports showed a great increase during the past few months. According to figures obtained from the local Customs, the total of Japanese imports for the period from January to June, 1938 amounted to $82,388,000.

For July alone Japan imported into China $19,702,000 worth of goods, showing an increase of more than 50 per cent, as compared with the total of imports for June last which amounted to $8,372,000. Due to the present hostilities and the widespread of the thrift movement throughout the country, British, German and American imports have been decreasing in recent months. Customs figures reveal that the total of imports from Britain, America and Germany for the past seven months amounted to $5,849,000, $10,766,000, and $8,089,000 respectively.

Japan's "White-Collar" Workers to Get Insurance

Japan's 900,000 "white-collar" workers will become eligible to receive health insurance in the manner of factory hands and miners if a bill now being drafted by the Ministry of Public Welfare is enacted at the next Diet session. Out of an estimated Yen 20,000,000 to be paid in premiums, the Government will contribute Yen 1,800,000 under the proposed bill. The insurance will protect office workers, clerks and other low salaried non-industrial workers and their families.

Who's Who in China

Peng Chao-hsien, Government official; born at Mou-ping, Shantung, 1899; LL. B., Chungkuo University, Peiping; also graduated from Moscow University, majoring in Social Science; member of the Kuomintang; Dean, Russian Law College (established by the Ministry of Foreign Affairs) at Peiping; Director, Political Affairs Department with the rank of Major-General, the 4th Column of the 3rd Route Army of the Nationalist Forces; member, Treaty Commission, Ministry of Foreign Affairs, Nanking; Consul-General at Habarovsk; Director, Department of Statistics, Ministry of Interior; Commissioner of Party Affairs, Hankow Special Municipality; Director of Party Affairs in Sinkiang; Special-Inspector to Sinkiang; Commissioner of Civil Affairs, Sinkiang Provincial Government; Member, Planning Committee of the Central Organization Committee of the Kuomintang; Director of Party Affairs of the Kiangnin Autonomous Experimental District under the direct jurisdiction of the National Government; Administrative Inspector of Nantung District in Kiangsu and concurrently Commander of the Peace Preservation Corps of the District; now Member of the Shensi Provincial Government and concurrently Commissioner of Civil Affairs; Shensi Provincial Government, Sian, Shensi.

彭昭賢
Peng Chao-hsien

Russ Fascist Leader Attacks Soviet Journalist

What may presage the outbreak of "warfare" between the Communists and Fascists in Shanghai's Russian community was seen on September 5 when Nicolas Svetlov, chairman of the Union for Repatriation to the U.S.S.R., on Love Lane, was brutally attacked from the back by N. I. Karganoff, one of the local Russian fascist leaders.

The attack, which the police believe has a political motive, occurred on Yates Road, just north of Weihaiwei Road, as Svetlov, Russian journalist, was walking to his home on Love Lane from Avenue Joffre. He was attacked with a heavy walking stick from the back by Karganoff, who struck him twice on the head and once in the shoulder.

Although bleeding profusely and in a state of semi-coma, Mr. Svetlov managed to reach his home, from where he notified the police of the assault. Karganoff was later arrested at the Garden Bridge as he was walking to his home at 94 Wayside Road. He was taken to Chengtu Road Station, but later released upon being informed that he would be served a summons to appear before the First Special District Court.

Svetlov remembers little of the actual attack. He recollects having passed Karganoff near the Weihaiwei Road intersection, and walking for half a block before he felt a stunning blow on his head. Thinking that something had fallen on him from an upper window, he looked up. Again he felt a blow come crashing down on his head, knocking him into a state of semi-come. Although dazed, he managed to turn around and hurl himself upon his assailant just as Karganoff was getting ready to strike him on the head once again. The blow missed his head, but caught him heavily on the shoulder.

Karganoff lifted his cane once more, but Mr. Svetlov, bleeding profusely, dashed across to the other side of the street. He managed to get away from Karganoff, who followed him for a short distance shouting something which Mr. Svetlov, still only semi-conscious, could not understand.

The Union for Repatriation to the U.S.S.R. is an organization with a membership of some 400 Russian emigres who wish to return to the Soviet Union. The headquarters of the club at Love Lane is in the same building with Mr. Svetlov's home.

Known Fascist Leader

Karganoff is known as one of the leaders of the Russian fascist organization with headquarters in Wayside, and is believed closely connected with the band which the police have been attempting to oust from the Wayside headquarters. It will be recalled that the S.M.P. were prevented from doing so by Japanese sentries, who, evidently, afford the organization full protection. If this is correct, it is believed that the police will have difficulty in bringing Karganoff before the tribunal, since they are at present powerless to arrest him unless he is caught south of Soochow Creek.

Karganoff, it is known, is closely associated with the "Manchukuo" Russian fascist leader, Rodzaevsky, who is head of the society with headquarters in Harbin, where it enjoyed Japanese sponsorship.

Svetlov's assailant is a fairly well-known rowdy, for last year he was arrested in French-town for making a disturbance during a performance given by Alexander Vertinsky, once-great Russian singer, who at the time was eulogizing Soviet Russia in song. He was released on that occasion because Mr. Vertinsky did not wish to press charges.

Svetlov, however, made a complaint at the Chengtu Road Police Station, and, it is understood, has every desire to press charges of assault against Karganoff. The attack is believed to have been motivated by the political differences of opinion of members of the Union for Repatriation to the U.S.S.R. and the fascist faction of the Russian community.

Friction Between Navies at Kiukiang Denied

Reports alleging friction between Japanese naval officers, on the one hand, and British and American commanders, on the other, at Kiukiang were emphatically denied in Tokyo September 4 in a special statement issued by Rear-Admiral Kiyoshi Noda, director of Information of the Naval Section of the Imperial General Headquarters, *Domei* reported. Special exception was taken by Rear-Admiral Noda to a report, disseminated from Hankow, which, by implication, suggested that Japanese minesweepers at Kiukiang had carried on operations with the deliberate intent of damaging the U.S.S. Monocacy on Aug. 28. The statement alleged that the report," judging from its source," was "an example of a foreign news service being made to distribute Chinese propaganda designed to impair the relations between Japan and the United States."

Basing his statement on a report from the Japanese commander at Kiukiang, Rear-Admiral Noda said on the date in question, a Japanese naval officer visited H.M.S. Cockchafer and U.S.S. Monocacy to inform their commanders of the discovery of about 20 mines near a point 500 meters downstream from the British gunboat which was anchored at the Kiukiang wharf. The Monocacy was then anchored 200 meters upstream from the Cockchafer, according to the statement.

The Japanese officer requested the British and American commanders to shift their anchorage to a point about one mile upstream from their original locations so as to prevent any damage during the proposed Japanese mine-sweeping operations.

The captain of the British vessel, the statement continued, said that he had already carried out mine-sweeping operations within a radius of 300 meters from the Cockchafer. He further pointed out that he did not feel that his vessel would be endangered by the explosions of mines at a point 200 meters away. The captain of the American vessel also declared that he did not see the necessity of moving the Monocacy inasmuch as she was 700 meters distant from the scene of the mine-sweeping operations.

Japanese minesweepers subsequently started operations from a point upstream of the two gunboats towards the mine-field downriver. A mine, the statement declared, was found at a point 200 meters from the Cockchafer, within the zone previously swept clear by the British vessel, In view of its proximity to the American and British gunboats, the mine was not destroyed by was prevented from further drifting. It was subsequently disposed of by the Cockchafer, according to the statement. The Statement emphasized that "no unpleasant episode" occurred between the Japanese Navy and the American and British gunboats during these operations.

Italian Law Regulating Jewish Foreigners

Important decisions regulating the position of Jews in Italy were reached at a Cabinet session presided over by Premier Benito Mussolini in Rome, Sept. 2. On recommendation of Mussolini, as Minister of the Interior, the Cabinet promulgated the following Laws:

"The position of foreigners of Jewish race who established residence in Italy, Libya and the Italian possessions in the Aegean Sea since the World War after January 1, 1919—including the relatively small number of those who acquired Italian nationality in the meantime—is regulated as follows:

ARTICLE 1. From the day of publication of this decree Jewish foreigners are forbidden to establish residence in Italy, Libya and the Italian possessions in the Aegean Sea.

ARTICLE 2. As Jews, in the meaning of this law, are to be regarded all those descended from parents who both belong to the Jewish race, even those persons of this category who profess other than the Jewish faith.

ARTICLE 3. The recognition of Italian nationality conferred upon Jewish foreigners after January 1, 1919, is regarded as cancelled in every respect.

ARTICLE 4. Foreigners of Jewish race residing on the day of publication of this law in Italy, Libya and the Italian possessions in the Aegean Sea who established residence in these territories after January 1, 1919, must leave the territory of Italy, Libya or Aegean possessions within six months after the publication of this law. Those who fail to comply with this order within the time limit will be expelled in accordance with article 150 of the Police Regulations and will be liable to punishment under law."

Men and Events

Miss Christine Diemer of the news department of *Reuters* has gone to Dalat, French Indo-China on vacation.

Capt. Hisao Kato has been appointed chief of the press section of the Navy Department at Tokyo, according to *Domei*.

Shigenori Tashiro, Japanese Consul-General at Tientsin, has gone to Tokyo to make a report on conditions in North China.

Lieut.-General Kyosuke Kawamura, who recently served on the China front, and six other army officers were placed on the reserve list on Aug. 31, according to a *Domei* report from Tokyo.

Hatsusaburo Hirao, adviser in economics to the Japanese Expeditionary Force in North China, has returned to Peiping from a trip to Tokyo and Dairen.

R. T. McDonnell, formerly engaged in engineering enterprises at Tientsin, Shanghai and Canton, but now connected with Wm. Hunt and Company, is in Washington, D. C.

Chinese residents of Burma have sent an engineering corps of 76 members to China to serve with the Chinese Army at the front, according to a report in the *News Digest*.

The Associated Boards for Christian Colleges in China, completed on July 15, its campaign in the United States for a fund of U.S.$300,000 to assist Schools in China to tide over the present crisis.

The Chinese Student League of Greater New York raised the sum of U.S.$400 at a benefit dinner given on August 1. The money was remitted to the American Bureau for Medical Aid to China.

The Trade Union Federation of the Argentine Republic voted on August 4 to call for a nationwide boycott of all Japanese merchandise sold in the country. The action was taken as a protest against the "slaughter of civilians by Japanese airplanes."

The Board of Trustees of the British Boxer Fund has announced that 20 Chinese students who passed the competitive examinations held in Chungking, Hankow, Kunming, Shanghai, and Hongkong, will be sent to Great Britain for special study.

Hubert C. Anderson, manager of the Manila Hotel, and well known throughout the Far East, died of peritonitis on Sept. 5. He was 56 years of age. Prior to accepting the managership of the leading hotel in Manila, Mr. Anderson was connected with the U. S. Treasury Department.

James Mills, traveling correspondent for *The Associated Press*, who is well known in the Far East, is now in Palestine where he will remain for sometime reporting developments on that front. Prior to going to Palestine, Mr. Mills spent considerable time in India and Persia.

Edgar H. Rue, executive secretary of the Institution for the Chinese Blind at Shanghai, which is conducting a drive for funds in the United States, reported, according to the *China Aid Exchange Bulletin*, (August 4) that the sum of U.S.$4,000 had been raised the first month.

A report in the *Ta Mei Pao* from Chungking on Sept. 3 said that all government departments in future would be required to purchase supplies of gasoline through the Central Trust Company. The Central Trust Company was ordered last November, as a conservation measure, to assume supervision over all supplies of oil.

This from the *New Republic* (N. Y.) for July 27 :—"Two items of news suggested that Germany is interfering more actively in the Far East. When China sought to get munitions from a Swiss firm, Germans bought control of the company and canceled the order. When the Chinese turned to Poland, Germany bought up all the available arms . . . ."

Funeral services for Miss Alexandra Shevchenko, 10-year old daughter of Mr. and Mrs. Wm. Shevchenko, who died of diptheria, was held at the Russian Orthodox Mission Church in the French Concession on Sept. 2. The service was read by the Rev. Fr. Alexander Paevsky. Mr. Shevchenko served with the U. S. forces in the World War and is a member of the American Legion.

Chien Hsin-tze, manager of the Joint Savings Bank, has been appointed chairman of the Board of the Bank of Communications, in place of Hu Pi-kiang, who was killed in the C. N. A. C. disaster at Canton. Hsu Pei-yuan, former manager of the Bank of Communications at Tientsin, has been appointed assistant general manager of the Bank where he will serve as assistant to Tang Shao-min.

The engagement has been announced of Anice Mogabgab of Shanghai and Miss Winifred Stevenson of New Canaan, Connecticut. The marriage will take place this fall and the couple will make their home in New York where Mr. Mogabgab is now engaged in business. He has resided in Shanghai and is well known in local business circles. Miss Stevenson attended the Brearley School in New York, the Emma Willard School in Troy and the University of Grenoble in France.

According to the *Hua Mei Chen Pao* (Sept. 3) the authorities of the French Concession have ordered the deportation from the Concession of all Chinese customs brokers who have registered with the Consolidated Tax Bureau for Kiangsu, Chekiang and Anhwei, which is an organ of the Ta Tao Government in Pootung. According to the report the French authorities regard action of the Ta Tao regime an "unwarranted interference" in the Concession as the Powers have not accorded recognition to the puppet administration.

Dr. H. P. Chu, acting president of the National Medical College of Shanghai, has been appointed honorary superintendent of the National Leprosarium, conducted by the Mission to Lepers. The previous superintendent was Dr. Charles Wong, who studied under Dr. H. W. Wade, American authority on the treatment of leprosy, who is connected with the Culion colony in the Philippines.

Benigno Ramos, Filipino radical "Sakdahl" leader, who resided in Japan as a political refugee since 1935, but returned to Manila recently and was arrested upon arrival, denied that he organized the Sakdalista uprising in 1933 which resulted in 80 persons being killed in a clash with the Constabulary. Ramos was released on bail, following his arrest, the bond of U.S.$13,500 being raised by Filipino and American friends.

Col. Charles Lindbergh, famous American aviator, has accepted the post of adviser to the Aviation Headquarters of the Soviet Union, according to a report circulated by the German *Transocean* service from Helsingfors, Finland on Sept. 2. It was claimed that Col. Lindbergh will occupy the position formerly held by the well known Italian aviator Nobile. After several weeks in the Soviet Union, Col. Lindbergh, accompanied by his wife, flew to Prague, where they were the guests of Mr. Carr, American Minister to Czechoslovakia. He also was given a banquet by the Czechoslovakian aviation department.

The British submarine Otus, commanded by Lieut. Commander R. M. G. Gambier, arrived in Shanghai Harbor on Sept. 2 and is now anchored at the British naval buoy, opposite the Bund. The submarine is a part of the 2nd Submarine Flotilla of the Royal Navy and has been stationed at Weihaiwei. It was built in 1928 and has a displacement of 1,500 tons and 2,000 tons when submerged. The length is 285 feet and it carries one 4-inch gun and 8 torpedoes It's speed is 17½ knots.

And this from the *New Republic* (N. Y.) for August 10 :—"The loss of the Hawaiian clipper remains a mystery, perhaps will remain so forever. It is a little difficult to understand how so sturdy and well provided a flying boat, ably commanded and officered, could be lost so completely without trace, despite prevailing good weather and calm seas. A suspicious observer might note the presence among her passengers of a Chinese agent reputed to be carrying a considerable sum of money for the use of the Chinese Government. But speculation as to the cause of the Clipper's loss arising from this, the one unusual circumstance about her, will very likely be profitless: for there are few deeper waters in the world than those above which the great ship was flying when last reported."

Mitsui, Mitsubishi, Sumitomo Large Shareholders in China Concerns

According to the Tokyo newspaper *Chugai*, the larger family corporations represented by Mitsui, Mitsubishi and Sumitomo, will each subscribe for 288,000 shares in the two so-called "national policy concerns" in China. The original plan called for a subscription of 405,000 shares on the part of each of the large corporations, but the amount was later reduced. The two national policy concerns referred to are the officially-controlled monopolies which the Japanese have chartered for control of Chinese industries, public utilities and transportation organs in North and Central China. The company in North China is capitalized at Yen 350,000,000 and the one at Shanghai at Yen 100,000,000.

Girls Who Cause Anxiety

A WARNING TO ALL MOTHERS

Many mothers have reason to be worried about their daughters, especially those in their teens, for it is in these trying years that anæmia often develops. The anxious mother sees her daughter gradually droop and grow fragile, bloodless and nervous.

These conditions indicate plainly that Nature is calling for more nourishment than the blood can supply, and signs of distress are evidenced by dull eyes, pallid cheeks, a languid step, fits of depression, an aching back, periodical headaches, and a dislike for proper nourishing food.

The watchful mother will recognise these signs of anæmia, and take prompt steps to give her daughter the new blood her system is clamouring for by giving her Dr. Williams' pink pills. Thousands of unhappy, feeble, anæmic girls have been transformed into robust women through the good red blood these pills infuse into the system.

In the treatment of anæmia no other medicine has ever succeeded like good old Dr. Williams' pink pills; they generate that fresh supply of rich blood which is absolutely essential to the anæmic girl. All chemists sell them.

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Japan Organizes Research Body for China Japan, Manchukuo and South Seas

The Oriental Research Institute was organized in Tokyo on Sept. 1 for the purpose of conducting various scientific investigations in the Far East, including China, Japan, Manchukuo and the South Seas Islands. The Premier, Prince Ayamaro Konoye is president of the organization. The sum of Yen 10,000,000 has been contributed toward the organization by the government and public organizations. Investigations will be carried on over a 10-year period.

Hankow Orders Deportation of Five White Russians

Five White Russians, arrested on suspicion of engaging in subversive activities against China, were ordered deported, following examination by the Hankow authorities on Sept. 1. They were ordered to leave within 15 days and prohibited from returning for 3 years. They were, Evgrafovich Pissarev, dentist; Stanislav Petrovich Manijak, dentist; Egor Alexeevich Mishin, stable owner; Alexander Anatolievich Peter, merchant; and George Nikitich Popoff, musician.

The *Reuter* report said they were absolved from the charge of subversive activities, but evidence indicated they had abused the hospitality of China.

Japan To Build De Luxe Gardens in New York and San Francisco

The Japanese Government is sending, early in October, 39 carpenters and three gardners to San Francisco to build an elaborate rock garden about the main exhibit building of the Japanese Government at the San Francisco Exposition. Owing to transportation difficulties and opposition of labor unions the Japanese workmen will not be sent to New York, hence the size of the Japanese exhibit at New York has been greatly reduced. The one in San Francisco, however, will be quite elaborate. The Japanese garden to be built at San Francisco will contain 150 tons of Japanese stones some weighing 5 tons, which are being collected in Japan for shipment across the Pacific. More 450 live trees are also being sent.

Nippon "Shut-Up" Officer Made Chief of War Office Press Section

Col. Kenryo Sato, who gained notoriety last winter by ordering a member of the Japanese Parliament to "shut-up" his mouth during an official committee meeting, has been appointed chief of the press section of the War Office, according to a report in the *Okuyama Service*. Col. Sato's order to a Diet member to keep quiet caused a tremendous uproar in the legislature, and he was compelled to apologize, but the incident apparently did not hurt his prestige in the Army where there is little regard for the parliamentarians. Col. Sato once served on a special mission in the United States, the nature of which was not stated.

According to the report, Gen. Sato is skilled in "international propaganda warfare, hence is expected to guide Japanese public opinion into the right path."

"More than Forty" Korean Independence Agitators Released

All persons, "numbering more than 40" who were involved in an independence conspiracy in Seoul, Korea on May 19 last were ordered released, according to a *Domei* report stating the release was effected due to their "manifest repentance." The police report stated that the organization was formed in 1935, "following the return to Korea of an unnamed Christian leader, who had communicated with members of a so-called Korean Provisional Government maintained by Korean emigrees in Honolulu. The Korean Christian, who had gone to America to attend conference of Christian workers, was watched by the secret police, upon his return, and the plot discovered. The Christian leader has also been released but is being kept under surveillance.

Possible Asiatic Repercussions of Europe Unrest Discussed

Possible Far Eastern repercussions of the European crisis, centering upon the Sudeten problem, were discussed at a three-hour conversation between Premier Prince Ayamaro Konoye and Ryutaro Nagai, Minister of Communications, in Karuizawa September 5. Nagai who called on the Prime Minister, who is spending the week-end at his villa there, stressed the necessity of further strengthening the economic bloc embracing Japan, China, and Manchukuo. He also laid before the Premier, details of the organization of the projected China Shipping Company.

New Books of Interest in the Far East

Censorship—A Timely Subject

Eugene J. Young, Looking Behind The Censorships. J. B. Lippincott Company. Philadelphia. 1938. 368 pp. U.S.$3.

A decade or two ago, Frank Kent wrote his masterful study of American ward politics—"The Great Game of Politics." What Kent did to the American scene, Eugene Young, the *New York Times'* experienced Cable Editor and commentator, now attempts to do to Europe and the Orient.

The title of the book is misleading. The work does not deal with censorship. It is rather a peek behind the screen of falsehood and misstatement erected by foreign censors to guard their idols, fallacies and institutions.

Starting with five preliminary chapters, which attempt to lay down the general principles underlying world political currents, Mr. Young proceeds to dissect the statesmen and policies of Britain, France, Italy, Germany and Japan.

To Britain, the author devotes his major attention. He analyses the suppleness of London's virtually immutable policy, the elementals of the "muddling through" strategy which deceives John Bull's foes, and the policy of delay, which thwarts totalitarian maneuvers and perpetuates the *status quo*.

Of the glimpses behind the facade of British politics the most interesting—although not completely novel—is the story of King Edward VIIIth abdication. Mr. Young "debunks" the popular version that the abdication was forced by Mr. Baldwin because of the King's love for Mrs. Simpson. The abdication, he shows, was rushed through by the entire government to remove from the throne a man committed to a fascist, anti-Bolshevist policy and extremely friendly to Herr Hitler and his form of government.

The abdication, Mr. Young shows, was immediately preceded by a dramatic visit paid to London by Belgian Premier Paul van Zeeland, who, through his secret service in Berlin, learned that Hitler had decided to send an army to Spain. Hitler's move, it was understood, was decided upon on receipt of the King's assurances that Britain would not interefere. The King was at once forced out, both for his pro-Germanism and for his failure to consult the Government, and a fortnight later a stern warning was served on the Reich that no increase in the German force in Spain would be permitted.

Much of the Anglo-Italian friction is explained by Mr. Young by personal animosities between Mussolini and Eden, while the credit for the current rapprochement between Britain and France is given to the supple-minded Leon Blum, who did not insist on rigid guarantees from Britain.

Mussolini, Mr. Young shows, is more the product of the Fascist Party's publicity hacks than Italy's undisputed dictator. The author says that Mussolini is the least important of the three men who rule the country—The Pope, The King and Il Duce. Marshal Badoglio is shown as the King's faithful henchman, who constantly keeps tab on Mussolini.

Germany's supposed unity is shown by Mr. Young to be a myth. There is a constant struggle, he says, among the Army, Hitler's guard and secret police, Goering's air force, Goebbels' followers, and Big Business, represented by Dr. Schacht. Heinrich Himmler, chief of the dreaded Gestapo, is shown as the man behind the throne in Germany and possibly Hitler's successor.

Rightly or not, Mr. Young describes the United States as the greatest restraining influence on Japan in the past decade. He claims that in 1933 it was Washington alone which prevented a Japanese attack on Soviet Russia. America and Britain, he says, have finally formulated a *modus vivendi* for joint action in the Far East.

Emperor Hirohito, Mr. Young says, exerts great influence upon the bellicose elements in the Army and is a fearless foe of Gen. Araki and other extremists. This picture is perhaps overdrawn, as is the implication of the Emperor's innocent rescript to the Diet in 1936, shortly after the military mutiny of February 26.

Mr. Young appears to be more right in his conclusion: "The outlook for the future (Japan's) was not good. If Japan's militarists had not been able to make Manchuria pay in five years of domination, how long would it take them to make a ravaged, disorganized and largely bankrupt China pay them dividends that would help to lift the home strain? Even if complaisant Chinese could be persuaded or bribed to be puppets there was no guarantee that they, with many Japanese 'advisers,' would be able to establish efficient government. Large garrisons would have to be maintained, as in 'Manchukuo,' to uphold them, and ships would have to be used to keep up these garrisons—altogether an expensive task. And where would Tokyo find the money to do the great work of exploitation that would be necessary? . . . ."

If the introductory chapters of the book are dull, the latter two thirds of the work more than make up for it. The book is intensely interesting, at times even thrilling. To those who would wish to understand the forces at play in Europe today, it is indispensable. The analysis is so thorough, the explanation is so simple and the

scope is so wide that no major issue in Europe today can remain dark after a persual of Mr. Young's work. It is recommended to all students of international affairs. ALFRED L.

"Guide to Enjoyment"

The Importance of Living. By Lin Yutang. N.Y. A John Day Book, Reynal and Hitchcock, Eleventh Printing, 1938. 439 pages, index. U.S.$3.

The title of this book which has gone to eleven or more printings, is less clear than its sub-title: A Personal Guide to Enjoyment." For the enjoyment of life is its real emphasis. There are fourteen chapters divided each into from two to ten short essays, written in the manner of a modern Montaigne. Dr. Lin having interpreted his country and his people to the West, now essays a kind of synthesis of Chinese and Western thought. "I have also chosen to speak as a modern, sharing the modern life, and not only as a Chinese, to give only what I have absorbed into my modern being."

An outspoke humanism is the quality of this book. Not a Greek or Western but a characteristically Chinese humanism or naturalism—"the philosophy of the Half and Half"—the Golden Mean, "which gives rise to a wise and merry philosophy of living." Dr. Lin has been helped by "a few of my friends: Po Chuyi of the 8th century, Su Tungp'o of the 11th." The spirit is: Happy the man whose wants are few. It is the loafer whom he idealizes, the loafer capable of fine detachment, highmindedness, tolerance. In short it is Dr. Lin's former emphasis on the merits of the "old rogue," "the scamp"; but goodness knows Dr. Lin's old rogue is a harmless person, in essence a follower of Laotse or, still more, Chuangtse. But, says Dr. Lin, the scamp is a very valuable person: he is "the last and most formidable enemy of dictatorships." He has a playful curiosity, a capacity for dreams, a sense of humor to correct those dreams and a certain waywardness and incalculability of behavior.

Dr. Lin's view comprises four elements of human personality, which he calls a sense for Reality, the capacity for Dreams, Humor, Sensitiveness, all of which he puts into a "pseudo-scientific formula"—R D H S. The Chinese formula is R4D1H3S3, the Japanese R2D3H1S1, the English R3D2H1S1, the American R3D3H2S2. "The ideal formula for me is R3D2H3S2," says Dr. Lin, which means among other things that the Chinese are too given to existing fact, too much to sensitiveness, not enough to idealism; the Americans are given too much to idealism, not enough to humor.

"Wise" and "witty" are the adjectives used by critics to describe Dr. Lin's book. None of them calls it profound. Dr. Lin thrusts at the shortcomings of Americans, for example at "the three great American vices"—efficiency, punctuality and desire for achievement and success. Americans might well practice "the nobler art of leaving things undone." Our autobiographies ignore the inward life of the spirit: "Men, men, men everywhere, and no mention of flowers and birds and hills and streams." Yet in Thoreau he finds a kindred spirit—"the most Chinese of all American authors," in whom nevertheless he finds a note of rebelliousness from which the Chinese Tao Yuanming was emancipated.

It is in these touches where he interprets Chinese qualities of heart and mind that Dr. Lin is at his best. And if we recall that his book is "a personal guide to enjoyment" we should not be dissatisfied, for there are many things to reward the reader of this book. For this reason it would have been better if an attempt had not been made to include so much. As an exponent of the art of loafing Dr. Lin has good things to tell us, but when he writes a chapter on "Relationship to God" some of his views become downright sophomoric. But we will be generous with Dr. Lin for his essential sincerity and quote his own words (which are only a modern Chinese borrowing from Laotse) "He who talks about truth injures it thereby; he who tries to prove it thereby maims and distorts it." If he has fallen at times "as a modern, sharing the modern life," into the too smart manner of many of our western intellectuals, he has given us on the otherhand many insights into the true qualities of Chinese culture which Westerners would do well to appreciate. D. R.

Do You Nod Over Your Desk These Hot Days?

Drowsiness, especially in the afternoon, bothers many business men at this time of year. The trouble is that the liver is not functioning with its usual efficiency, the digestion is slowed down, Nature is calling for an afternoon nap, but unfortunately work won't permit it to be done.

To avoid this hindrance to business the best way is to take better care of your liver by helping it with a little dose of Pinkettes, preferably when going to bed, say once a week. These dainty laxative pilules also correct and avert constipation, aid digestion, banish bilious attacks and sick headaches, dispel the causes of coated tongue, bitter mouth, bad breath, pimples, boils and blotches. And they are splendid for the relief of piles.

Your chemists can supply Pinkettes, the perfect little liver laxatives.

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(中國評論週報)

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Mystery of Tibet

The Man From Tibet, By Clyde B. Clason. Published For the Crime Club by Doubleday, Doran And Company. N.Y. 1938. 302 p.p. $2.

Out of distant Tibet comes a wiry, little man with a mysterious ancient manuscript, which he sells for $5,000 to Adam Merriweather, a wealthy Chicago collector of Tibetan antics. The man goes away and a few hours later his body is found in a ramshackle hotel. From then on, a 70-year old Prof. Westborough follows the thin thread which leads through a maze of Tibetan history, mythology and religious information to the murderer. Before the latter is uncovered, Adam Merriweather also dies a violent death in an empty room and Westborough himself feels the killer's hands on his throat. The book is enthralling, especially in the concluding pages of every chapter. The characters are well drawn, and the identity of the murderer is not suspected until well into the end of the book. There is, however, a distinct over-abundance of Tibetan lore, much of which, despite its genuinnes (attested by a bibliography) could well be left out. The romance is unobtrusive, although all ends in the traditional manner. On the whole, the book is recommended as a better-than-average murder yarn.

A. L.

Shanghai's Losses

"Shanghai's Worst Crisis," is the title of a 14-page pamphlet mostly devoted to Shanghai's complications, which was issued on July 27 by the American Council, Institute of Pacific Relations, 127 East 52 Street, N.Y. After reviewing what happened in 1932 when the Japanese made their first attack on the city, the writer of the pamphlet, Norman D. Hanwell, describes the destruction of Chinese and foreign industries—cotton mills, knitting mills, silk looms, tobacco factories, etc. Special attention was devoted to losses suffered by the Commercial Press, largest Chinese printing concern, the amount being between $500,000 and $1,000,000. Another plant, the Kai Min Book Company lost $300,000. Some 200 printing plants were destroyed, among them being a large Japanese concern, The China Offset Printing Company. Considerable space was devoted to the looting of machinery, with an estimate of losses made by A. Bland Calder, Assistant U. S. Commercial Attache. Much of the material in the pamphlet was based on material compiled by Rewi Alley, Assistant Chief of the Industrial Department of the Shanghai Municipal Council. There also were frequent references to material previously published in The *China Weekly Review*.

About Planes

The Book of Splendid Planes, compiled by Bryan Fenwick, with a foreword by Charles W. A. Scott. Collins. London and Glasgow. U.S.$1.

Al hough this book aims at giving a boy a pictorial outline of aviation, it will appeal ot many an adult. From the first photographs showing an old Portugese painting of aerial warfare to the picture of a boy wistfully watching a formation of planes, the reader's interest is held both by the subject-manner portrayed and by the high quality of the photographs. There are, however, two drawbacks. One is the rather uncertain sequence of the pictures, which, for instance, jump from Bristol bombers to street traffic of today and tomorrow. The other is the obvious emphasis on military aviation. May it be that the book is intended to draw youngsters into the R.A.F. when they get to be of age? If this suspicion is unjustified, the book is well worth having.

A. L.

20 Factories Resume Operations in Soochow

Indicating vastly superior industrial conditions in Soochow in comparison to Hangchow, more than 20 factories have resumed operations in the "Venice of the East," *Domei* reported this week. Among factories which have reopened in Soochow are the power station, the Tai Ho Flour Mill, the Oong Sen Match Factory, the Chungnan Match Factory, the Ssu Luen Silk Weaving Mill, the Sui Tai and the Wah Foo Silk Filatures, the North Pole Ice Factory and the Li Fah Soap Factory.

A number of other factories are making preparations to reopen, although several, having sustained severe damage in the hostilities, entertain very little hope of resuming operations for many months to come. One factory that was badly damaged was the Farming Implements Manufacturing Plant, the reports said.

Pirates Again Active Outside Woosung

Small bands of pirates again are active outside Woosung, around an area known among Chinese sailors as Zoshan, *Domei* reported. A number of cargo junks plying between Shanghai and Ningpo were recently pirated by these marauders who not only seized the goods, but the vessels as well, resulting in a refusal among some of the junk owners to carry goods for Ningpo. Unlike the powerful and well-organized pirate gangs which prey upon big coasters, these pirates hide themselves among small isles outside Woosung and seize only junks and small boats.

Typhoon Cuts Wide Swath in Western Japan

Western Japan this week was busily engaged in bringing order out of chaos over a wide area bordering on the Inland Sea over which a violent typhoon swept Sept. 5. Fears of a major catastrophe, however, were allayed as official reports indicated that the total in life and property was comparatively small. Damage, however, ran into several million yen.

Shikoku Island was reported as being one of the worst sufferers in this natural calamity, the second to strike Japan in five days. Five persons were killed and three injured in Tokushima Prefecture, where seven persons were also listed as missing. Thirty-eight houses collapsed, three were washed away and 577 flooded in this prefecture, where six bridges were also demolished while eight river embankments gave way. Eleven persons, mostly fishermen, were reported in Kagawa Prefecture where five houses were washed away and 500 flooded.

Osaka escaped with little damage, although sewers backed up to inundate 30,000 houses in the lowlying districts. Reports from Kobe indicated that only minor losses had been suffered there. To the damage caused by the typhoon was added on Sept. 1 the destruction of 1,500 houses in a fire that swept over the town of Himi in Toyama Prefecture facing the Sea of Japan. Fanned by a strong northeasterly wind, the fire which originated near a theater, shortly after midnight, raged for five hours. Two-thirds of the fishing town was destroyed according to fragmentary reports Casualty figures were unavailable, communications being crippled, with the post office and police station, reportedly having been burned down.

Water Rates Increased 20 Per Cent

Another public utility concern in Shanghai has received the official permission of the Shanghai Municipal Council to increase its rates. Reference is made to the Shanghai Waterworks Company, Ltd., which holds the franchise for supplying residents of the International Settlement with their water.

The increase, which is scheduled to take effect Sept. 9, will be exactly 20 per cent above the existing water supply rates. The utility concern claims that the boost is necessary because of increased operating costs. What the increase really amounts to is the withdrawal of the 20 per cent rebate on existing tariffs. This rebate has been in effect for a good many years. Notice that the rebate is to be withdrawn was issued in a circular notice to the local press Sept. 7.

Anti-Cholera Drive Renewed in Hongkew

Intensifying their drive to suppress cholera in the Japanese community, Japanese military authorities and consular police are supervising inoculations among Japanese and Chinese residents in Hongkew during the week from Sept. 3 to 10, the *Mainichi* reported this week.

Clinics were opened for the pulibc at the East, North and Central Japanese Primary Schools, Consular Police Station at Yangtszepoo and in a lot on Woosung Road. On Saturday 839 Japanese, 518 men and 326 women, were inoculated, while the shots were given to 675 Chinese, including 572 men and 103 women, making a total of 1,514. Japanese authorities are complaining that residents of Hongkew are not sufficiently aroused to the menace of cholera, the *Mainichi* said.

BABY

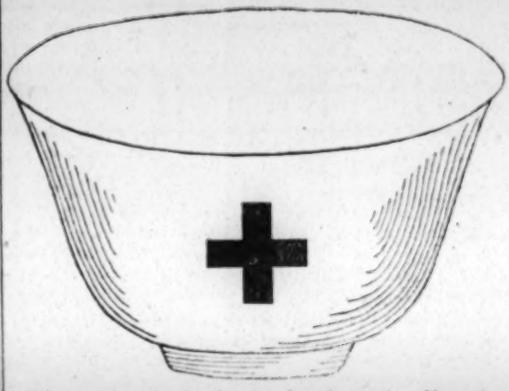
CONSTIPATED?

BABY'S daily movements are something of which absolutely accurate track must be kept. When he misses something must be done at once. Constipation is serious for baby.

Mrs. A. Reid of Hespeler, Ont., has this to say: "Having had seven children and having used Baby's Own Tablets for all seven, can say they are the best and gentlest regulator for children—safe and effective for the tiniest infant. I give them up to 10 years of age. During teething Baby's Own Tablets were a boon to me as they cleared up at once any digestive disturbance or fretfulness."

Equally effective for simple fever, diarrhoea, upset stomach, colic, simple croup and other minor ailments of babyhood, also to expel worms.

Quick and sure in their action. Easy to take. Harmless, and safe for the most delicate child. Do *not* contain opiates or stupefying drugs. Each package contains analyst's certificate. Get a box today. Sickness so often strikes in the night. Of chemists everywhere.



The estimate is for a bowl 5" in diameter. Each pound of uncooked food will fill 6 bowls. Each bowl will hold 5½ ounces of cooked food.

HELP FILL THE REFUGEE BOWL WITH RICE

The Standard ration per 100 refugees is 82 lbs. dry cereals plus 14 lbs. of green vegetables.

When cooked a pound of dry food weighs 31 ounces, so that the average daily ration of cooked food per person is 25.42 ounces plus vegetables, salt and oil.

Supposing in 100 refugees, one-third of them are men, one-third women and one-third children, then

1. each man should get 6 bowls, or 32 ounces of food per day.
2. each woman should get 5 bowls, or 28 ounces of food per day.
3. each child should get 3 bowls, or 16 ounces of food per day.
4. invalids and babies are included in the census report and therefore their food can be used to supplement nursing mothers and pregnant women.

The total cost of food ration for 100 refugees per day is about $6.50.
For some 80,000 refugees now rationed by the S. I. R. C., a sum of $5,200 daily will be needed for food alone.
Unless you help, the bowl will remain empty.
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TO OUR SUBSCRIBERS IN AREAS OF MILITARY ACTIVITY

Hundreds of subscribers, who were forced to leave their homes because of the war situation, have been unable to return and in many instances, have been compelled to establish temporary or permanent residences elsewhere.

As a result they have been unable to receive copies of **The Review** mailed to their normal addresses.

In all cases these back copies have been retained in the office pending receipt of instructions as to new addresses.

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"JAPAN'S WAR ON FOREIGN BUSINESS IN CHINA"

This is the title of a new 74-page booklet which gives facts and figures on the losses suffered by Americans and Europeans as a direct result of Japan's military aggression in China. The amount of money involved has been estimated as high as U. S. $800,000,000.

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In May and June *The Review* published a series of editorial articles dealing with the losses suffered by Americans and Europeans as a result of Japan's War in China. The articles represented a detailed study of the methods used by the Japanese fighting services to root foreign interests out of China. Most of the data presented in the articles was obtained from Japanese sources which have had no reason to conceal their hopes, plans and aspirations. Other facts came from non-Chinese sources, having no axes to grind but deeply interested in the preservation of foreign cultural interests and legitimate commercial rights in this country.

The publication of these articles, the first compilation of facts and figures on the results of Japanese aggression created a sensation not only in foreign business circles, but also in foreign governmental offices all over the world. As a result of the demand for copies of the articles it was decided to reprint them in pamphlet form, convenient fo mailing.

Best possible information to send to your home-state senators and representatives, also to your friends and business connections. The cost of the booklets is 50-cents each, including postage. If you do not have facilities for mailing, send us the addresses, with check attached and we will attend to the mailing—through Hongkong or directly aboard steamers.

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